Introduction

As I was dashing through an airport in November 2001, the cover of *Technology Review* displayed on a newsstand rack caught my eye. Its cover story was titled "The Future of TV," and the inside pages provided a smart look at likely coming developments.[1] Even by the end of 2001, which was long before viewers or television executives truly imagined the reality of downloading television shows to pocket-sized devices or streaming video online, it was apparent that the box that had sat in our homes for half a century was on the verge of significant change. The future that the author, Mark Fischetti, foresaw in the article depicted the television world that would be available to early adopters by the mid-2000s fairly accurately (by "2000s," I mean the first decade of the twenty-first century, not the century in its entirety). His focus, though, was on the living room television set, and his vision did not anticipate the portability of computing that would develop over the late 2000s to break down distinctions between television and "computer" screens, or that mobile phones would so quickly become pocket computers and portable televisions. But right there in his third paragraph is the sentiment that television and consumer electronics executives uttered incessantly beginning in 2006 as the mantra of the television future: "whatever show you want, whenever you want, on whatever screen you want."

Even though Fischetti presciently predicted the substantial adjustments in how we view television, where we view it, how we pay for it, and how the industry would remain viable and vital, many other headlines in the intervening years predicted a far more dire situation. Reports and articles bore ominous titles like "The End of Television as We Know It" (IBM Business Consulting Services), "The Death of Television" (*Slate*), "Why TV Will Never Be the Same" (*Business Week*), and "How Old Media Can Survive in a New World" (*Wall Street Journal*).[2] By 2007, a *Wired* article better captured the emerging contradictions with the title "The TV Is Dead. Long Live the TV."[3] Predicting the coming death of television became a new beat for many of the nation's technology and culture writers in the mid-2000s. When television contrarily persisted, the naysayers turned instead to the dominant cable delivery model, announced the imminent demise of the cable industry, and suggested that egions of viewers would soon cancel cable subscriptions. Sounding the death nell for cable, prognosticators proposed that viewers would go "over the top" OTT) of their cable boxes to access favorite shows through Internet delivery f content by using services such as Netflix, Hulu, iTunes, or a wide range of uthorized and unauthorized web-based sources; Max Fisher's *Atlantic* artile "Cable TV Is Doomed" is indicative of the new apocalyptic theme.[4] But espite such claims and endless fawning over the latest gadget or gizmo that ould usher in the demise of television or cable, both persisted. Showtime's EO, Matt Blank, wryly joked at the 2013 Cable Show that industry journalts' favorite topics were companies with no revenues and no earnings, folwed by those with some revenues and still no earnings; "old" television mpanies like his that were flush with both proved of little interest.

The journalists weren't alone in their uncertainty about the future of telesion or even the definition of television, as new ways to use television and w forms of content confounded even those who used the device every day. 2004—before much legal or illegal streaming of video online occurred— e longtime broadcast television executive Rich Frank told a Las Vegas llroom full of television executives about a recent visit with his young andson. He asked the boy which network was his favorite, expecting to ar a broadcast network or perhaps Nickelodeon in response. But without oment's hesitation the boy replied, "TiVo." By 2013, a child might instead swer "PBS.org" or "the videos on daddy's phone." If the period from 2000 ough 2010 led audiences to imagine that television would become someng different than it had been during the preceding half century, the period from 2010 through 2014 introduced and normalized aspects of the future of television, such as the presumption that "television" is not only viewed on a television set. By that time, the industry slowly but meaningfully expanded viewers' ability to watch "whatever show you want, whenever you want, on whatever screen you want."

We may continue to watch television, but the new technologies available to us require new rituals of use. Not so long ago, television use typically involved walking into a room, turning on the set, and either turning to specific content or channel surfing. Today, viewers with digital video recorders (DVRs) may elect to circumvent scheduling constraints and commercials, while others download or stream the latest episodes of their favorite shows, either within or outside the conventional setting of the living room. And this doesn't even begin to touch upon the vast array of content created outside the television industry that appears on video aggregators such as YouTube or social networking sites.

As a result of these changing technologies and modes of viewing, television use has become increasingly complicated, deliberate, and individualized. Television as we knew it—understood as a mass medium offering programs that reached a broad, heterogeneous audience and spoke to the culture as a whole—is no longer the norm in the United States, though most certainly neither is going "over the top." But despite what many initially thought, changes in what we can do with television, what we expect from it, and how we use it have not been hastening the demise of the medium; instead, they are revolutionizing television.

To explore this revolution, this book offers a detailed and extensive behind-the-screen exploration of the substantial changes occurring in television technology, program creation, distribution, and television economics, why these practices have changed, and how these changes are profoundly affecting everyone from television viewers to those who study and work in the industry. It examines a wide range of industrial practices common in U.S. television and assesses their recent evolution in order to explain how and why the images and stories we watch on television find their way to us as they do in the twenty-first century. These changes are so revolutionary that they suggest the nascent development of a new era of television, the effects of which we have only begun to detect.

What Is Television Today?

Television is not just a simple technology or appliance—like a toaster—that has sat in our homes for more than sixty years. Rather, it functions as both a technology and a tool for cultural storytelling. We know it as a sort of "window on the world" or a "cultural hearth" that has gathered our families, told us stories, and offered glimpses of a world outside our daily experience. It brought the nation together to view Lucy's antics, gave us mouthpieces to discuss our uncertainties about social change through Archie and Meathead, and provided a common gathering place through which a geographically vast nation could share in watching national triumphs and tragedies. A certain understanding of what television was and could be developed during our early years with the medium and resulted from the specific industrial practices that organized television production processes for much of its history. Alterations in the production process—the practices involved in the creation and circulation of television—including how producers make television programs, how studios finance them, and how audiences access them, have created new ways of using television that now challenge our basic understanding of the medium. Changes in television have forced the production process to evolve during the past twenty years so that the assorted ways we now use television are mirrored in and enabled by greater variation in the ways television is made, financed, and distributed.

We might rarely consider the business of television, but production prac-ices inordinately affect the stories, images, and ideas that project into our iomes. The industrial transformation of U.S. television has begun to modify vhat the industry creates. Industrial processes are normally nearly unal-erable and support deeply entrenched structures of power that determine vhat stories can be told and which viewers matter most. But beginning in ie mid-1980s, the U.S. television industry began reinventing itself and its idustrial practices to compete in the digital era by breaking from custom-y norms of program acquisition, financing, and advertiser support that in any cases had been in place since the mid-1950s. This period of transition eated great instability in the relationships among producers and consum-s, networks and advertisers, and technology companies and content cre-ors, which in turn initiated uncommon opportunities to deviate from the onventional wisdom" or "industry lore" that ruled television operations. lustry workers faced a changing competitive environment triggered by development of new and converging technologies that expanded ways to tch and receive television; they also found audiences willing to explore the ovative opportunities these new technologies provided.

Rather than enhancing existing business models, industrial practices, viewing norms, recent technological innovations have engendered ones—but it is not just new technologies that have revolutionized the vision industry. Adjustments in how studios finance, make, and dis-ute shows as well as in how and where viewers watch them occurred simultaneously. None of these developments suggested that television would play a diminished role in the lives of the nation that spends the most time engaging its programming, but the evolving institutional, economic, and technological adjustments of the industry have significant implications for the role of television in society.

The industry remains in the throes of rapid and radical change in 2014 as the television transformation moves from a few early adopters to a more general and mass audience. As new uses become dominant and shared by more viewers, television's role in culture continues to evolve. Understanding these related changes is of crucial interest to all who watch television and think about how television communicates ideas, to those who study media, and to those who are trying to keep abreast of their rapidly changing businesses and remain up-to-date with new commercial processes.

Despite changing industrial practices, television remains a ubiquitous media form and a technology widely owned and used in the United States and many similarly industrialized nations. Yet the vast expansion in the number of networks and channels streaming through our televisions and the varied ways we can now access content has diminished the degree to which societies encounter television viewing as a shared event. Although once the norm, society-wide viewing of particular programs is now an uncommon experience. New technologies have both liberated the place-based and domestic nature of television use and freed viewers to control when and where they view programs. Related shifts in distribution possibilities that allow us to watch television on computer screens, tablets, and mobile phones have multiplied previously standard models for financing shows and profiting from them, thereby creating a vast expansion in economically viable content. Viewers face more content choices, more options in how and when to view programs, and more alternatives for paying for their programming. Increasingly, they have even come to enjoy the opportunity to create it themselves.

Although television maintains the technological affordances of a mass medium that, in principle, remains capable of serving as the cultural hearth around which a society shares media events—as we did in cases such as the Kennedy assassination or the *Challenger* explosion—it increasingly exists as an electronic newsstand through which a diverse and segmented society pursues deliberately targeted interests. The U.S. television audience now can rarely be categorized as a mass audience and is instead more accurately understood as a collection of niche audiences. Television has been reconfigured in recent decades as a medium that most commonly addresses fragmented and specialized audience groups, but no technology emerged to replace its previous norm as a messenger to a mass and heterogeneous

Same as the old

audience. The development of broadband distribution substantially affected the circulation of ideas and enabled dissemination to even international audiences, yet the Internet allows us to attend to even more diverse content and provides little commonality in experience.

Television's transition to a narrowcast medium—one targeted to distinct and isolated subsections of the audience—along with adjustments within the broader media culture in which it exists, significantly altered its industrial logic and has required a fundamental reassessment of how it operates as a cultural institution. For the last sixty years, we have thought about television in certain ways because of how television has been, but the truth is that television has not operated in the way we have assumed for some time now. Few of the norms of television that prevailed from the 1950s into the 1980s remain in place, and such norms were themselves the results of specific industrial, technological, and cultural contexts long since passed. In particular, the presumption that television inherently functions as a mass medium continues to hold great sway, but the mass audiences once characteristic of television were, as the media scholar Michael Curtin notes, an aberration resulting from Fordist principles of "mass production, mass marketing and mass consumption."[5] Consequently, previous norms did not suggest the "proper" functioning of the television industry any more than did subsequent norms; rather, they resulted from a specific industrial, technological, and cultural context no more innate than those that would develop later.

Understanding the transitions occurring in U.S. television at this time is a curious matter relative to conventional approaches to exploring technology and culture. Historically, technological innovation primarily has been a story of replacement, in which a new technology emerged and subsumed the role of the previous technology. This indeed was the case of the transition from radio to television, as television neatly adopted many of the social and cultural functions of radio and added pictures to correspond with the sounds of the previous medium. The supplanted medium did not fade away, but repositioned itself and redefined its primary attributes to serve more of a complementary than competitive function. But it is not a new competitor that now threatens television; it is the medium itself and those who try to maintain practices now clearly suboptimal.

The changes in television that have taken place over the past two decades—whether the gross abundance of channel and program options we now select among or our increasing ability to control when and where we watch—are extraordinary and on the scale of the transition from one medium to another, as in the case of the shift from radio to television. And it is not just television that has changed. The field of media in which television is integrated also has evolved profoundly—most directly as a result of digital innovation. The audience's experiences with computing and the emergence of the mobile phone as a sophisticated portable screen technology better thought of as a "pocket computer" than a "phone" are now as important to understanding television as the legacy behaviors of domestic viewing. Various industrial, technological, and cultural forces have begun to radically redefine television, yet paradoxically, it persists as an entity that most people still understand and identify as "TV."

This book explores this redefinition of television specifically in the United States, although these changes are also redefining the experience with television in similar ways in many countries around the world. From its beginning, broadcasting has been "ideally suited" technologically to transgress national borders and constructs such as nation-states; however, the early imposition of strict national control and substantially divergent national experiences prevailed over attributes innate to the technology.[6] Many different countries experienced similar transitions in their industrial composition, production processes, and use of this thing called television at the same time as the United States, but precise situations diverge enough to make it difficult to speak in transnational generalities and lead to my focus on only the U.S. experience of this transition. As Graeme Turner and Jinna Tay tellingly assessed in 2009, "'What is television?' very much depends on where you are."[7] The specific form of the redefinition—as it emerges from a rupture in dominant industrial practices—is particular to each nation, yet similarly industrialized countries are experiencing the transition to digital transmission, the expansion of choice in channel and content options, the increasing conglomeration of the industry among a few global behemoths, and the drive for increased control over when, where, and how audiences view "television programs." The development of an increasingly global cultural economy also has led the fate and fortune of the U.S. television industry to be determined beyond national confines.

regulation

Situating Television circa 2014

During its first forty years, U.S. television remained fairly static in its industrial practices. It maintained modes of production, a standard picture quality, and conventions of genre and schedule, all of which led to a common and regular experience for audiences and lulled those who think about television into certain assumptions. Moments of adjustment occurred, particularly at the end of the 1950s when the "magazine" style of advertising began to take over and networks gained control of their schedules from advertising gencies and sponsors, but once established, the medium remained relatively nchanged until the mid-1980s. First, the "network era" (from approximately 952 through the mid-1980s) governed industry operations and allowed for certain experience with television that characterizes much of the medium's istory. The norms of the network era have persisted in the minds of many as istinctive of television, despite the significant changes that have developed ver the past twenty years. I identify the period of the mid-1980s through e mid-2000s as that of the "multi-channel transition." During these years, rious developments such as the growing availability of cable service and ew cable channels, videocassette recorders (VCRs), and remote controls anged our experience with television, but did so very gradually, in a man- r that allowed the industry to continue to operate in much the same way as did in the network era.

Signs of a subsequent period, a "post-network era," began to emerge in e early 2000s. Many changes from the norms of the multi-channel transi- n are readily identifiable, but it remains too early to know the ultimate aracteristics and conventions of the post-network era. What separates the st-network era from the multi-channel transition is that the changes in mpetitive norms and operation of the industry become too pronounced many of the old practices to be preserved; different industrial practices becoming dominant and replacing those of the previous eras.

These demarcations in time, which are intentionally general, recognize t all production processes do not shift simultaneously and that people pt new technologies and ways of using them at varied paces. By the end 005, adjustments in how people could access programming—particularly ough DVR use and purchase of full seasons on DVD—enabled a small up of early adopters to experience television outside the linear schedules etwork programmers in a manner characteristic of a preliminary post- work era.[8] By 2014, a greater range of viewers were engaging television in es other than the living room screen, but such Internet, mobile phone, even DVR time-shifted viewing accounted for only a small fraction of all viewing. As an illustration, Nielsen data from the second quarter of indicated that the aggregate of time per month spent watching time- ed TV (12 hours, 35 minutes), using a DVD/Blu-ray device (5 hours, 10 utes), using a game console (6 hours, 27 minutes), using the Internet on a puter (not specifically for viewing video content) (27 hours, 21 minutes), hing video on the Internet (6 hours, 28 minutes), or watching a video mobile phone (5 hours, 45 minutes) amounted to only 63 hours and 46 utes, a good bit less than half of the 146 hours, 37 minutes viewers still t watching "traditional" TV.[9] Indeed, much about the nuances of shifts

Table I.1. Characteristics of Production Components in Each Period

Production component	Network era	Multi-channel transition	Post-network era
Technology	Television	VCR Remote control Analog cable	DVR VOD Portable devices Mobile phones Tablets Digital cable
Creation	Deficit financing	Fin-syn rules Surge of independents End of fin-syn Conglomeration and coproduction	Multiple financing norms Variation in cost structure and aftermarket value Opportunities for amateur production Challenging promotion environment
Distribution	Bottleneck Definite windows Exclusivity	Cable increases possible outlets	Nonlinear access TV Everywhere Netflix streaming MVPD app availability Erosion of time between windows and exclusivity
Advertising	30-second ads	Subscription Experimentation with alternatives to 30-second ads	Coexistence of multiple ad models—30-second ads, placement, integration, branded entertainment, sponsorship Multiple-user supported models—transactional and subscription
Audience measurement	Audimeters Diaries Sampling	People Meters Sampling	Cross-platform Census measurement Digital program ratings Online campaign ratings

o engage in "monitor studies." We have processed and will continue to pro-
ess coming changes through our existing understandings of *television*. We
ill continue to call the increasingly large boxes that serve as the focal point
f our entertainment spaces *television*—regardless of how many devices we
eed to connect to them in order to have the experience we desire or whether
ney are giant boxes, flat sheets of glass mounted on walls, or some technol-
gy yet only imagined. We are even likely to conceptualize almost all video
at conforms to the conventions we've come to associate with television as
levision, even if we stream it years after its production, if we watch it on
ersonal-size mobile phone screens, or if it is produced for entities never dis-
ibuted as television, such as Netflix or Amazon. The U.S. television indus-
y may be evolving, the experience of television viewing may be evolving,
it our intuitive sense of this thing we call television remains intact. A revo-
tion is on its way, but it will not overthrow television; the growing acces-
bility and manipulability of video will expand its sovereignty and embed it
er more deeply into our cultural experience.

The adjustments characteristic of a still largely imagined post-network
a will be far more profound than the changes evident so far. One thing
vealed by the current conditions of the nascent post-network era is that
evision content no longer can be considered uniformly. Since the early
oos, the broad constellation of television programming has fractured into
least three distinct entities that are fundamentally different in ways very
aningful to the commercial underpinnings of the industry.

One type of content enabled by the post-network era is what I distinguish
"prized content." Prized content describes programming that *people seek*
and specifically desire. It is not a matter of watching "what is on"; prized
tent is deliberately pursued. Prized content also compels *some* audience
mbers to follow news of its development, to read endless chatter on blogs
l news sites, to seek out missed episodes, control viewing, and even pay
this most valued content. Prized content is determined by the audience
mber—what I prize may not be prized by you—though there may be
ures more likely to make content prized by larger or specific audiences.
zed content is a post-network-era phenomenon that emerges in defiance
he technological affordances of mid-twentieth-century broadcasting,
ch created the norm of a linear content flow that provided specific con-
at certain network-determined times and that has served as the domi-
t organization for television. Though these norms remain entrenched
still persist in 2014, post-network-era affordances of digital distribution
ole prized content to be viewed in more deliberate ways, though also in
rd with the traditional linear scheduling. The opportunity to experience

television independently from an externally determined flow fractures the monolithic television experience to create this category of prized content.

Emergent distribution technologies have enabled a television practice that allows greater selection—perhaps parallel to the transition in filmgoing in the mid-1940s, when audiences began seeking out particular films rather than continuing the rote behavior of going to the theater each week and viewing whatever movie was playing. Many observers reference examples of what I consider prized content in declarations of a "new golden age" of television or in "Best of" lists developed in the last decade.[14] A sampling of content of the last fifteen years that was prized by a significant audience might include *The Sopranos*, *Mad Men*, *The Wire*, *Lost*, *West Wing*, *Friday Night Lights*, *Breaking Bad*, and *Downton Abbey*, among many others. Notably, that significant audience may only be two to three million viewers, far from the mark of contemporary mass hits that are watched by many more, but that may not inspire the same passion as prized content. Audiences with different tastes might include *Real Housewives*, *Jersey Shore*, or *Duck Dynasty* as similarly compelling cases of prized content, underscoring how *prized content is not an aesthetic or evaluative distinction* assessed based on features of the show, but is distinguished by how audiences desire to experience it.

Prized content is so compelling that it suffers from interruption, be it the interruption of commercial pods or the interruption of a week's passage between conventional "airings." The media scholar Jason Jacobs has also identified disruption—and digital television's ability to eliminate and reduce it—as a defining distinction of what I'd categorize as the network and post-network eras.[15] Preliminary data about the use of video on demand and DVR playback by genre reveal that the far greatest use of these devices is to view dramas, which affirms the idea that many viewers particularly desire a different experience with this narrative form than traditional television experience has allowed.[16] The desire for control over pace of viewing and the opportunity to re-view enables—and perhaps even makes superior—nontraditional economic models such as direct, transactional payment. Rather than model existing norms of viewer behavior, engagement with prized content might be more comparable to how audiences read a novel.

A second distinct type of content is that of "live sports and contests." Indeed, live sporting events are far from new—they can be found among the earliest broadcasts—but as the break from the multi-channel transition has become more profound, the exceptionality of live sporting events has become inescapable. Live sports, as well as live televised contests such as *American Idol* or *Dancing with the Stars*, resist all of the ways the technologies and distribution opportunities of the post-network era enable audiences to disrupt prized content from residual viewing norms and economic strategies. As they do with prized content, audiences place high value on watching particular contests as specifically *sought-after* content, but full enjoyment of this content features *exceptional time sensitivity* that necessitates live or near-live viewing. The formats of most contests naturally allow for action breaks, which has made sports programming resistant to the commercial-skipping and illegal-downloading technologies that have imperiled the economics of other programming forms.[17] Sports and contests thus remain optimal for the traditional mechanisms of television advertising and the economics that support it, and also offer seemingly endless opportunities for sponsorship and branding, further expanding their economic value.

Sports programming has been a frequent topic in discussions of the future of television precisely because the increasing fees demanded by rights holders and eventually passed on to television viewers—whether or not they *view* sports—have grown so significantly as to threaten the equilibrium of programming costs. The investment house Sanford C. Bernstein & Company released research in 2013 illustrating that live sports accounts for 20 percent of viewing by cable subscribers but 50 percent of the cost of their subscriptions.[18] The journalist Derek Thompson captured the dilemma of costs and audience demand for televised sports well: "Without live sports," he asserts, the TV business could fall apart; and because of live sports, the TV business could fall apart."[19] The value of live televised sports has increased because so little other programming continues to unite comparatively large audiences who watch at an appointed time and remain captive through the commercials. When we talk of the future of "television," we must do so in a way that acknowledges that the features that distinguish prized content and live sports and contests prepare them for very different industrial norms.

I distinguish the final type of programming as "linear content," though ost recognize this as plain old television. Not long ago, all television was near, and much of what is viewed still is. Linear content is *what people watch hen they watch "what is on,"* or it might be distinguished by the notion of m going to watch television" as opposed to "I'm going to watch *Sons of narchy.*" Like sports, linear content is viewed live, but likely with much s intention than most sports. The motivation for viewing is not watching rticular content, but a desire for companionship, distraction, or entertainent that may or may not make the content the viewer's focus. Linear televin might be the television viewed when you sit down in the evening to see at's on; it is the morning talk show that airs as you ready for work, and the ning news that plays as you prepare dinner. By definition, linear content ot time-shifted, so the established model of advertising remains effective, if "effective" is a term that could ever really describe the economic benefits of airing commercial messages in content that viewers attend to only casually.

I offer these categories of television to illustrate the need to speak of particular types of television content and make content-specific claims when postulating coming economic models. These three categories don't quite contain all viewing, and I'm sure we can imagine many instances that present features of multiple categories. My point is to begin to speak of television viewing with greater specificity, because viewers' increased ability to manage viewing differently has significant implications throughout television's industrial norms. Creating terminology that acknowledges the different attributes that are enabled by technological and distribution affordances of the post-network era aid in crafting a more sophisticated conversation about television's present and future. Though disruptions to conventional practices occur—such as iTunes sales of single episodes beginning in 2005 or Netflix's rich subscription-based on-demand offerings beginning in 2010—acknowledging the range of content now characteristic of television helps make clear that it is a variety of practices and norms that are imperiled, rather than television per se.

Key aspects of the post-network revolution include the enabling of new types of programming such as prized content and the establishment of profound distinctions in the experiences and economic possibilities among existing programming types such as live sports and contests and linear content. Another emerging aspect of the revolution can be found in the growing mechanisms for organizing and packaging content, whether by emergent *aggregators* such as Netflix or Hulu, emergent *devices* such as Roku and Boxee, or emergent *applications*, whether those enabling live streaming of channels over computers or devices such as gaming systems that enable accessing television content through Internet connection. We remain at a most nascent stage of what I suspect will be a massive disruption of norms of television delivery, and it is too soon to predict common viewing behaviors in the future. Nonlinear viewing—that is, viewing not at an externally appointed time—whether by DVR, video on demand (VOD), DVDs, or streaming—has become a primary way of engaging television for some viewers, though these behaviors remain irregular or completely unused by many more. Nonlinear viewing calls into question the continued need for previous ways of organizing television, such as the "channel," and these early years of preliminary post-network formation have featured the addition of new channel-like distribution and aggregation "middlemen" such as Netflix, Hulu, and YouTube that are each trying to reorganize the content experience. Adding more middlemen, at the same time that channels become increasingly superfluous, seems a short-lived disruption, though one likely to aid a longer-term paradigm shift.

The following pages update understandings about television's industrial
ractices from which others might build analyses of the substantial adjust-
nents occurring within other media systems and their societies of reception.
he book also contributes to the necessary rethinking of "old" media in new
ontexts. The deterioration of the foundational business model upon which
he commercial television industry long has operated suggests that a substan-
ive change is occurring. Examining the industry at an embryonic moment
f norm creation sheds light on how power is transferred during periods
f institutional uncertainty and reveals how new possibilities can develop
om emerging industrial norms. There is a similarity between the industrial
oment considered here and that examined in Todd Gitlin's 1983 book *Inside
rime Time*.[20] Both books chronicle the consequences of industrial practices
f the television industry at the close of an era. Gitlin, however, captured this
oment unintentionally, while this work is reflexively aware of the transitory
atus of the practices it explores.

Perhaps paradoxically, I take a particular type of television—"prime-time
ogramming"—as the book's focus. Despite significant industry changes, as
completed the book, prime-time programming remained the most viewed
d most widely discussed form of "television," though its high costs did
t make it the most lucrative. The post-network era threatens to eliminate
ne-based hierarchies, but the distinctive status of prime time is determined
much by its budgets and production practices as by the time of day in
ich it has traditionally "aired." Changing industrial norms bore conse-
ences for all programming. Adjustments in production components also
ected affiliate and independent stations in significant and particular ways,
t the breadth of these matters prevents me from addressing them here.
though the affiliates represent a large part of the television industry, the
nsequences of post-network shifts affected these stations in substantially
ferent ways depending, among other things, on whether the station was
ned and operated by a network, whether it was located in a large or small
rket, and the network with which the station was affiliated.[21]

The next chapter develops the distinctions of the network era, multi-chan-
l transition, and post-network era with greater detail and briefly steps away
m the book's main focus on how shifts in industrial practices and business
rms affect programming to meditate on some of the more abstract and
ger issues—some might say theories—called into question by these insti-
ional adjustments. Concerns about how television operates as a cultural
titution, the adaptation of tools used to understand it, and the develop-
nt of new ones aid us in thinking about intersections of television and cul-
e that may not be the primary concern of those who work in the industry.
Such questions and concerns are nonetheless of crucial importance to the rest of us who live in this world of fragmented audiences and wonder about the effects of the erosion of the assumptions we have long shared about television.

Each aspect of production examined in chapters 2 through 6 changed on a different timetable in the course of the multi-channel transition. By 2005, profoundly different technological capabilities and distribution methods had emerged, though these new possibilities were pushed further by 2010, once broadband distribution of full-length professional content suggested greater change. Though indications of post-network technologies and distribution norms may now be evident, other production components remain insubstantially adjusted. Thus, each of these chapters focuses on a particular production component—technology, creation, distribution, financing, and audience measurement—and explores the process of transition, what practices have changed, and their consequences with regard to how television functions as a cultural institution.

With a focus on technology, chapter 2 explores how new devices have made television more multifaceted and allowed more varied uses than were common during the network era. By 2005, new television technologies enabled three distinct capabilities—convenience, mobility, and theatricality—that led to different expectations and uses of television and created a diversified experience of the medium in contrast to the uniform one common in the network era. Technologies including DVRs, VOD, portable television, and high-definition television—among many others—produce complicated consequences for the societies that adopt them as viewers gain greater control over their entertainment experience, yet become tethered by an increasing range of devices that demand their attention and financial support. The technological field expanded in 2010 as television delivered by Internet technologies expanded the mobility and portability of television and freed the medium from its staid domestic norm to be experienced on an array of screens.

Chapter 3 explores the practices involved in the making of television, particularly the institutional adjustments studios and networks made during and after the implementation of the financial interest and syndication rules, as well as the effects of these adjustments on the content the industry produces. Studios have responded to changing economic models by battling with creative guilds and unions to maintain new revenue streams, shifting production out of union-dominated Los Angeles, and creating vertically integrated production and distribution entities. Changing competitive practices among networks have resulted in significant adjustments in the types of shows the industry produces and expanded the range of profitable telling. The chapter thus examines how redefined production norms created opportunities for different types of programming and required promotion techniques.

me of the most phenomenal adjustments in the television industry from viewers' expanded ability to control the flow of television and ove it out of the home. Whereas a distribution "bottleneck" character- he network era and much of the multi-channel transition, the bottle- broke open in late 2005 and has expanded to offer nearly limitless pos- ies for viewers to access programming. Chapter 4 explores how viewers d access to television in an increasing array of outlets that featured dif- iated business models. New distribution methods made once unprof- programming forms viable and decreased the risk of unconventional amming, opening creative opportunities in the industry and contrib- to the fundamental changes in the production processes discussed ghout the book.

apter 5 examines the shifting strategies for financing television, par- rly the emergence of alternatives to the advertiser-supported model ominated previous eras. In the last decade, U.S. television has expe- d notable expansions in subscription and other direct-pay economic ls, as well as a diversifying array of strategies for advertiser support. again distinctions among prized content, live sports and contests, and viewing reveal divergent futures for financing, and the emergence of diversified strategies is symptomatic of the conditions of a multifaceted etwork era that relies upon multiple, coexisting financing strategies.

lowing the examination of financing and advertising, chapter 6 explores en-unconsidered role of audience measurement, which proved partic- contentious in the late years of the multi-channel transition and as the etwork era developed. The industry leader, Nielsen Media Research, vored to introduce technological upgrades that reallocated advertising , while new distribution methods and advertising strategies required cial measurement for validation. The existing paradigm of audience rement proved increasingly insufficient for the variation characteristic t-network television. This chapter considers the crucial role of audi- neasurement and developments during the tumultuous early 2000s, as the consequences adjustments in this sector might bring to the pro- n of television in the future.

ile chapters 2 through 6 include many examples that apply somewhat ct industrial practices to specific shows and circumstances, chapter 7 detailed look at how technology, creation, distribution, financing, dience measurement intersect in five very different programs. Each of

the five cases explored here owes its existence or success to production practices uncharacteristic of the network era and tells a particular and distinctive story about production processes at the end of the multi-channel transition. These shows, *Sex and the City*, *Survivor*, *The Shield*, *Arrested Development*, and *Off to War*, illustrate how changes in multiple practices interconnected to expand the range of stories that could be profitably told on U.S. television, as well as point to some of the implications of this expanded storytelling field for the industry and culture. I also address more recent shows that continue the paths charted by these early shows, but still lack as full a history, such as *Girls* and *Video Game High School* or the fortunes of the "stars" produced thus far by YouTube.

The perspective here involves looking ahead, not to predict, but to prepare for a new era of television experience and criticism. The precise forms that the technologies and uses of television will take are not definite, but substantial industrial ruptures are already apparent, and the need for practical information and conceptual models to rethink the medium is evident. The following pages may consequently both serve as a eulogy to the television we have experienced to this point and prepare our understanding of the medium yet to come.

in use continues, new words and terms will emerge or be reallocated in order to make sense of television and its multiplicity that might ease the tensions still in evidence here. The distinctions of prized content, live sports and contests, and linear viewing begin this categorization. As I've explored the growing convenience, mobility, and theatricality of post-network television, I've attended to the relative relevance of these technological gains for these different viewing experiences.

Devices that allow viewers to enjoy a theater-quality experience in their homes or take their television on the go should be considered as a part of a portfolio of products that complement rather than compete with each other in a multifaceted technological televisual field. In the late 1990s, Nicholas Negroponte argued that the technological distinction of real significance was that between analog and digital, and the technological connections enabled by the digital transition have indeed proven to be profound.[80] The convergence among technologies uncertainly connected other than by their digital language raises ambiguity about whether something like YouTube is best categorized as "television," "video," "computer," or perhaps even just a "screen" technology. Certainly, the ability to deliver video unites television, computers, and mobile devices, but our residual acculturation may lead us to approach screens that feature familiar programs as television for some time, regardless of the technology we use to receive and view it. In the same way that "broadcasting," the "airing" of shows, and "tuning in" have remained part of the industrial and cultural vernacular—even though they precisely describe only a small part of television use—"television" continues to function as a meaningful term. As is the case of production components examined in subsequent chapters, the adjustments of the multi-channel transition and post-network era created multiple and competing uses rather than replacing one monolithic norm with another. We must now think about television as a highly diversified medium; even as "watching television" has continued to signify a set of widely recognizable behaviors, the singularity and coherence of this experience has come to be fleeting.

3

Making Television

Changes in the Practices of Creating Television

The business has changed so massively. . . . You will never have the market forces again that, how do I put this, that allow people to get rich. . . . The reality is you will never have the licensing fees negotiated again that resulted in *ER* getting [millions of dollars] an episode, and that's where a lot of people made what many would probably insist is an unconscionable amount of money. . . . The upside home runs for shows [profits from big hits] have been sort of flattened out by the new economic models of how shows are produced.
—Dick Wolf, producer, 2006[1]

LOL

The barrage of new technologies marketed to us in the early years of the twenty-first century has indicated much about the changing nature of television—so much so that even non-technophiles have realized that changes are at hand. Yet, though hours of television programming daily stream into our homes and now onto an array of new devices as well, the process of creating shows remains well hidden from most viewers. To be sure, by the late 1990s, the casual viewer could notice adjustments in types of shows and how networks organized them in their schedules. What most viewers may not have realized was why these changes occurred and how these shifts related to the broader structural adjustments that were revolutionizing the production of television.

This chapter's epigraph captures the perspective of Dick Wolf, arguably one of the most powerful (and richest) television producers of the last two decades due to the phenomenal success of the *Law & Order* brand he created. Here, Wolf replies to a question about whether he could be as successful if he were entering the business in 2006, and his response indicates the consequences of the changes in how television programs are made that this chapter explores. The "flattening out" of profits changes the type of programs the industry is likely to produce in significant ways and allows a much broader array of programming to exist and "succeed"—albeit by a variety of measures—than was the case in the network era.

One of the biggest changes in the making of television resulted from a regulation introduced in the early 1970s that was then eliminated in the 1990s. This set of rules—the financial interest and syndication (fin-syn) rules—altered the rules about who was allowed to make television programs, adjusted the relations of networks and studios, and affected who profited most substantially. The competitive environment that resulted from the elimination of these rules and many other deregulatory policies allowed expanded conglomeration and necessitated that those who create television devise new methods of funding. It also led to the erosion of the more monolithic norms of the network era, including the division of labor established between networks and studios, as well as the financial model according to which they operated. These adjustments and those of other production components not only affected the storytelling possibilities of the industry, but also led networks and studios to revise long-standing programming practices related to schedules, reruns, and program lengths and formats. These adjustments increased the scope of commercial storytelling and enabled the creation of what I distinguish as prized content. In treating these matters, this chapter also explores the increased need for innovative promotion techniques that networks have adopted in order to reach the splintering audience.

The Relationship between Financing Production and Production Norms

Though I examine the aspects of financing and economics involving audiences and advertisers in chapter 5, assessing the financing of television production—the making of television—requires understanding that the techniques used to fund productions routinely costing millions of dollars per hour have enormous implications for the shows that are made and many of the general dynamics of the television industry. Developing programs is one of the most difficult, uncertain, and therefore risky aspects of television production. In the early days of television, networks produced their own programming or received it from sponsors—as they had when they operated as radio networks—but television shows were far more costly than those of radio because of the added labor and complexity of visual recording. As the television era began, the networks sought to decrease the risks involved in

creating programs by licensing them from film studios. This strategy was economically prudent: the film industry already had established facilities and structures for visual media. Consequently, a key practice of creating television involved dividing the process between two different entities: the studios that create the programs and the networks that organize and distribute them. Although these are distinct tasks, the networks still engage in "creative" activities such as selecting programs and often directly shape the creative direction of their shows.

Splitting the roles of studios and networks necessitated a means for financing television series appropriate to the varied risks and rewards inherent in the separation. A practice known as "deficit financing" consequently developed—an arrangement in which the network pays a license fee to the studio that makes a show in exchange for the right to air the show. The license fee typically allows the network to air an episode a few times (a first and rerun episode), but the studio retains ownership of the show. In effect, then, the license fee just allows the network to borrow the show, but this first licensor has considerable input on creative matters. Studios keep subsequent licensors' likely tastes and needs in mind, but these entities rarely imprint upon the television text to nearly the extent of the original licensor—at least in the system that has existed to date. Importantly, the license fee does not fully cover the costs of production, which creates the "deficit" of deficit financing. The studio absorbs the difference between the cost of production and the license fee, which can now amount to as much as millions of dollars for each season. If the network orders enough episodes, the studio can then resell the series in various other markets, though the studio typically has had to wait as many as five years before receiving the revenue of these sales.[2] As an illustration of the exceptional profits earned by a rare show, CBS's CEO, Les Moonves, noted in 2012 that *I Love Lucy*, a show last produced in 1957, still delivered $20 million in annual revenue.[3]

Deficit financing minimized the substantial risks and costs of developing programs for the networks while initially affording the studios considerable benefits as well. In the case of successful series, the studio receives a large return on its investment when it sells the show in a combination of later markets, called syndication windows, because the sales provide nearly pure profit: no additional work typically goes into the show and the network receives none of the payment.[4] However, if the show is unsuccessful and does not produce enough episodes to be syndicated, or if no buyers want the show, the production company must absorb the difference between the cost of production and the original license fee. For example, in the late 1990s, an hour-long broadcast-network drama typically cost approximately $1.2

million per episode to produce, with broadcast networks paying $800,000 to $1 million per episode in licensing fees.[5] Assuming the standard twenty-two-episode season, a production studio might lose anywhere from $4.4 to $8.8 million on a season of episodes. If the ratio of license fees to production costs remained constant—which is unlikely because producers usually renegotiate license fees after a few years and talent costs commonly escalate as well—the production company would assume $22 to $44 million of debt by the fifth season. At that point the series would reach the one hundred episodes then commonly necessary for "syndication," a process by which the studio resells the series in multiple markets, such as domestic broadcast affiliates, cable channels, and networks in any number of other countries to recoup its costs.

According to this scenario, a typical late-1990s drama would likely be sold both to a cable channel and international buyers, in addition, perhaps, to local stations for once-a-week airing, typically on weekends. For example, *CSI* was the last series CBS added to its schedule in 2000, and although the network expected little from it, *CSI* quickly became the season's breakout hit and regularly ranked among the most-watched shows each season.[6] The series was coproduced by Alliance Atlantis and CBS Productions. CBS Productions (through the commonly owned distribution company King World) sold the first domestic syndication run of the series to the cable network Spike for $1.6 million per episode and then sold the series to individual stations throughout the United States, while Alliance Atlantis sold the series in 177 different international markets for at least $1 million per episode in each major market.[7] The series also developed into a franchise—adding *CSI: Miami* and *CSI: NY*—and although the original *CSI* remained the most popular of the three in the United States, by 2006, *CSI: Miami* was the top U.S. show around the globe and had earned $6.4 million from DVD sales.[8] As late as 2013, the investment fund Content Partners purchased a 50 percent interest in the franchise from Goldman Sachs for $400 million.[9] This stake entitled Content Partners to a share in the future rights to the series, of which only the original—the Las Vegas–based *CSI*—remained in production. The price the group was willing to pay suggests the perceived value of the franchise, which included over 720 episodes when purchased.

The deficit financing system established early in U.S. television production continues to dominate norms, although important dynamics in the relationship between studios and networks have changed in important ways. In the 1960s, the networks had the upper hand in dealings because of their monopsony power as the only three buyers of content, and the networks attained greater control and less risk by forcing production companies to deficit finance their programs while also demanding a percentage of

the syndication revenues. This "profit participation" by the networks caused many production companies to struggle financially, especially independent producers—those not aligned with a major studio—because they needed all of the revenue from successes to offset both the cost of failures and the substantial overhead expenses of production. Networks obtained profit participation in as much as 91 percent of programming by the mid-1960s, which led the government to intervene with regulations called the fin-syn rules at the beginning of the 1970s.[10]

The fin-syn rules prohibited networks from holding a stake in program ownership and having a financial stake in the syndicated programming they aired, as well as limiting the number of hours of programming per week that they could produce. Much of the power that the networks developed before the rules did not result from any formal collusion, but from their status as the only three potential buyers for series. The control of distribution by the three networks defined the relationship between studios and networks and significantly disadvantaged production companies that had little recourse against network strong-arming. The realignment of power between producers and distributors—the networks—in September 1971 by the FCC-mandated fin-syn rules and the consent decrees put forth by the U.S. district court might be considered the first disruption of dominant network-era production processes. Many regard the years subsequent to the rules' enactment as a golden era of independent production, marked by the heyday of MTM Enterprises (producers of *The Mary Tyler Moore Show*, *Lou Grant*, *Bob Newhart*) and Norman Lear's Tandem Productions (*All in the Family*, *Good Times*, *The Jeffersons*), among others.

But as the television marketplace began to change with the introduction of cable and the emergence of new broadcast networks such as FOX, the networks agitated for the elimination or reduction in the rules on the grounds that there were now more places to sell programming. The introduction of cable channels initially wasn't all that persuasive an argument, as these channels had particular foci (CNN: news; MTV: videos) and none had programming budgets comparable to the broadcast networks. Because FOX did not provide the full day of programming common to other broadcasters and only two-thirds of the prime-time programming, it received exemption from the fin-syn rules, which arguably marked the significant beginning of their demise. While a threat to eliminate the rules surfaced as early as 1983, it finally materialized in 1991, when the FCC began eroding the rules, which were completely removed by 1995 just as the WB and UPN entered the broadcast competition as non–full-service networks and superficially doubled broadcast competition from the network-era norm.[11]

The lifting of the rules immediately changed the dynamic between studios and networks. The mid- to late 1990s was a period of pronounced conglomeration in the media industries, and as soon as regulators eliminated the rules, each network began populating its schedule with new shows purchased nearly exclusively from studios owned by the network or from within the conglomerate owning the network—what I will refer to as "common ownership." This preponderance of common ownership, or "vertical integration" in the vernacular of economics, radically redefined relationships between studios and networks and adjusted financing norms. Networks prioritized content generated by commonly owned studios and again often demanded a share of syndication revenues in order for a show not produced by a commonly owned studio to receive a place on the schedule. These were typically called "coproduction" deals—a misleading term because the commonly owned studio that was added to "coproduce" often supplied minimal, if any, support, but still earned the rights to syndication profits. Such profit participation was a nuisance for major studios, while it substantially disadvantaged independent producers because they depended upon all possible syndication revenue.

The key reason the networks contracted with commonly owned studios was a desire to accrue syndication profits, but another reason was fear that the top shows would demand exorbitant license fee increases after their original three- or five-year agreements expired. High-profile cases emerged at NBC in the late 1990s and early 2000s with its license negotiations for the Warner Bros.–produced shows *Friends* and *ER*. As Wolf notes in this chapter's epigraph, the license fee for *ER* increased to $12 million per episode at one point, ten times the original fee; Warren Littlefield, then president of entertainment at NBC, succinctly notes, "We didn't own *ER*. We just rented it. After the first four years, we rented it for a lot more."[12] These shows could have been purchased by another network if Warner Bros.' license fee demands were not met, as happened in the case of *Buffy the Vampire Slayer*, which moved from the WB to UPN in 2001.[13] Although few cases of shows moving to a different network actually occurred, the threat—particularly for top audience-drawing shows—was significant enough that networks sought a share in as much programming as possible in order to maintain greater control.

Common ownership among studios and networks created a mutual interest in success, but the performance of the network and that of the studio were evaluated separately within the conglomerate, and each had to meet unit budget goals. Consequently, even intra-conglomerate deals remained competitive. For instance, Warner Bros. studio could not absorb a substantial loss on a show just to help the WB decrease license fee expenses. Some advantage might be offered, as in the case of 20th Century Fox studio selling a syndication run of *The X-Files* to commonly owned FX for less than market value. Such uncompetitive practices were occasionally revealed, as occurred in this case, when the actor David Duchovny successfully settled a suit against the studio because the cheaper sale of the program decreased his residual earnings.[14] Common ownership of a studio and a network did not provide either entity with carte blanche. Various aspects of the industrial and organizational structures of television production—whether the independent evaluation of different divisions within the conglomerate or the separate stakes in production profits often held by actors and producers—curtailed the unrestrained provision of advantage that could develop.

The advantage of deals among commonly owned entities results from the increased likelihood that they would negotiate with a sense of equity although not necessarily discount. Paying $10 million per episode of *Friends* was detrimental to NBC, and Warner Bros. may not have pushed for such unprecedented payment had it been negotiating with a commonly owned network.[15] Abuses certainly could and did occur, but many counterexamples in which commonly owned networks lost out in bidding or commonly owned networks beat competitive offers also emerged. Such varied evidence made it difficult to sustain claims about the uniform behavior of conglomerates.[16] Still, the alignment of common ownership represented a considerable shift in practice and created a competitive advantage for commonly owned studios that made the financial model of scripted series creation untenable for independent producers.[17]

The practice of deficit financing continued with few exceptions as a dominant practice for financing series despite the development of common ownership, though this adjustment in the balance of industrial power between networks and studios produced unanticipated costs, quite literally. A panel of studio and network executives at the 2007 National Association of Television Program Executives (NATPE) conference agreed that common ownership of studios and networks had contributed to rapidly escalating programming costs—the typical cost for an hour-long broadcast show jumped from $1.2 million in the late 1990s to $3 million by the mid-2000s—as they noted it was easier to approve incremental cost increases for productions when one entity had a stake in production and distribution.[18] The common-ownership model allows the conglomerate the opportunity for immediate revenue from production expenditures—in the form of advertising revenue—as well as the later revenue available from syndication, increasing the incentive for incremental spending that is perceived as the difference between success and failure—though this can never be known with any certainty. And once one production: like MARVEL

studio makes a successful show with a $3 million budget, so must others to compete. Some on the panel noted that escalating production costs are also likely to have contributed to the troubled status of independent producers, who are less able to afford such incremental spending.[19] Common ownership and coproduction particularly disadvantaged independent producers—so much so that by the end of 2005 the production of prime-time scripted series was no longer a viable possibility for independent producers.[20]

The economic norm of deficit financing and then seeking syndication revenues remains relatively constant in television production, despite other adjustments in production norms introduced in the early post-network era. At the 2004 NATPE conference, Caryn Mandabach notably proclaimed that "deficit financing is dead." Mandabach was a partner of the once legendary (but by then defunct) independent production company Carsey-Werner-Mandabach, which created *The Cosby Show*, *Roseanne*, and *That '70s Show* among others, so her opinion on the matter earned consideration, and it was echoed by a number of executives speaking at the conference that year. Nonetheless, deficit financing has lived on and still remains dominant for funding scripted series in 2014. Rather than portending the death of deficit financing, what the executives were really speaking to was the inability of the system to persist in its existing form; demand for higher-budget content emerged at the same time networks were less able to provide the mass audiences desired by advertisers.

A variety of unconventional financing experiments has emerged during the preliminary years of the post-network era in an effort to reinvent production-side financial norms in relation to the distribution possibilities now characteristic of the industry. Though none of these experiments has become particularly common, their emergence provides evidence of the limitations of the status quo. As in the case of the textual differences of cable original series discussed subsequently, these different financing practices also introduce changes in production practices and the content the industry might produce.

Despite the significant shifts in the broader industrial relationships between studios and networks introduced by the creation and then elimination of the fin-syn rules, the particular allocation of risk and reward of deficit financing allowed a fairly consistent set of production norms for broadcast television. Though budgets expanded significantly over time, many of the other features remained constant, such as the norm of seven or eight days of shooting per episode, most of which is done on a set with fixed camera setups that are carefully lit to shoot action from one angle, then reset to shoot from the other and edited together in post-production. A full season included twenty-one or twenty-two episodes that would air from late September through May, with rerun episodes interspersed. Many of the new costs were related to increased shooting on-location and the growing use of sophisticated visual effects, such as those featured in mid-2000s series such as *Lost*, *Heroes*, or *24*. Series such as these raised the stakes and expectations of television, though networks and studios quickly learned that audiences also required carefully crafted stories and characters, which proved more difficult to replicate than the visual effects.

Many of these norms of production and airing schedules established decades ago still undergird most hour-long, scripted broadcast television production; however, both scripted series produced originally for cable channels and unscripted television series introduced alternatives in the preliminary post-network period that coexisted with legacy practices and even suggested some evidence of eroding broadcast norms. There is not a simple cause-and-effect story for the flurry of simultaneous adjustments in the broader programming landscape, though the most significant force for change likely came from cable channels' moves into original scripted series production. As already established, throughout the 1980s and 1990s, cable channels gradually drew away many members of the broadcast audience, but in these decades, mainly did so by offering the same programming or type of programming offered by broadcasters. By the beginning of the 2000s, though, cable began to establish itself as a site for original programming and introduced a variety of new production norms.

A confluence of industrial differences encouraged cable channels to develop content that was a clear formal alternative to broadcast offerings. For the most part, basic cable did not keep up with the budgetary arms race of broadcasters and instead experimented with various techniques to contain costs, including handheld shooting, producing outside Los Angeles, and changing the series order and release schedule. A norm among cable series quickly developed of much shorter, thirteen-episode seasons, with episodes aired in consecutive weeks instead of the broadcast strategy of spreading content out by including several weeks of reruns. These shorter seasons were also important for luring writing and acting talent that had avoided television because of the intense demands of the twenty-two-episode season. A thirteen-episode commitment was also less demanding of viewers, and cable channels also often provided many reairings of a new episode each week, especially before VOD offerings became plentiful. The combination of fewer episodes and greater access to each episode defied the conditions that led broadcasters away from incorporating much seriality in their storytelling. Fewer episodes also allowed writers more time for plotting and story crafting, which in some cases yielded more "complex" television on cable.[21]

Further, cable channels' dual income streams from advertising and subscription fees allowed them to target more niche audiences and to find success by providing advertisers particular types of viewers rather than a mass audience. Many early cable originals consequently featured far less conventional characters, uncommon settings, and more serialized storytelling than typical of broadcast networks.

Adjustments in television style were also apparent, though they are not all related to the shifting industrial norms focused on here. During the early 2000s many series broke from network-era stylistic conventions. In the case of the half-hour comedy, this was evident in the erosion of the long common, three-camera, proscenium stage style that was often shot in front of a studio audience. After broad comedy hits recorded in this style, such as *Seinfeld*, *Friends*, and *Everybody Loves Raymond*, completed their runs, the networks struggled to create mass audience replacements. There was considerable discussion of the "death" of the sitcom as single-camera comedies shot "film"-style became more prevalent, though failed to achieve comparable success. These comedies, shows such as *Scrubs* and *Sex and the City*, used the opportunities of this style to incorporate storytelling techniques such as voiceovers, flashbacks, and fantasy sequences unavailable to comedies shot live.

Paradoxically, as single-camera comedies provided an alternative to the multi-camera norm in that genre, some dramas began to replace the single-camera, film-style norm of drama with multiple cameras. Traditionally, a dyadic scene in a drama was shot from one direction, then reset (a process of repositioning cameras and relighting that easily takes more than an hour) and shot from the other perspective. Though editing makes this process seamless, it can produce more staid acting performances because actors have to perform multiple takes and know when they are actually being filmed. In an interview with the journalist Alan Sepinwall, *Friday Night Lights*' producer Jason Katims explained the show's use of multi-camera shooting techniques:

> The single essential ingredient about the show was that we had three cameras shooting in this particular style. Through [the] majority of the filming, we would be shooting both sides of the scene at once. If it was a Tyra and Tami scene, one camera would be behind Tyra shooting Tami, the other side would be behind Tami shooting Tyra, but doing it in such a way that they weren't filming each other. It allowed the actors to have a very naturalistic way of performing. They were able to respond to each other in the moment. They didn't have to worry about matching what was done in the previous take, they didn't have to worry about overlapping with each other, because the artifice of filmmaking was taken out of the process.[22]

William H. Macy, who stars in *Shameless*, has also spoken of the way multiple handheld cameras can change an actor's performance. In an interview with Terri Gross, he reaffirms Katims's suggestion of greater naturalism because the actor has much less sense of what is being shot when scenes are filmed this way.[23] He explained that actors can be overly self-conscious about the close-up shots that punctuate a major scene, and these are specifically set up in single-camera shooting so that the actor knows when the big take occurs. In three-camera production, one camera might catch this version at the same time another has been shooting a wide shot, freeing an actor from forcing this key take in a way different from the rest of the scene.

In this case, the stylistic innovation of shooting with multiple cameras developed as a result of digital camera technology that allowed for handheld cameras that could capture images without the shaky style common of *The Shield* or *Southland*, shows that use the unstable image to reinforce a sense of spontaneous action. With stability controls, the cameras could move between the interactions in a scene, often without the actors knowing what was being shot. This technique can be employed as a way to shoot scripts more quickly; the time saved by not having to set multiple versions of the same scene can save enough time to reduce an episode's shooting time by a day, which was the motivation for using this style on *The Shield* (discussed more in chapter 7). The relevant point here is more of innovation and experimentation with established production techniques that developed for technological, stylistic, and economic reasons. In many cases, productions for cable channels tried these experiments as part of their efforts to craft distinctive content, and often with the limitation of lower budgets.

Unscripted Series

Notably, even before experimenting with scripted originals, many cable channels developed unscripted original programming, whether MTV's *Real World* (1992–), Lifetime's *Project Runway* (2004–), Bravo's *Real Housewives* (2006–), which launched Bravo's pop culture presence, or the exploits of *Jon and Kate Plus 8* (2007–2011), which established TLC. These shows, and the unscripted endeavors of their broadcast competition (*American Idol*, *Survivor*, *Dancing with the Stars*), introduced different production economics and an alternative to deficit financing.[24] Unlike scripted series, these shows typically have little syndicated value, so their costs must be recouped in their license fee or through the license fee and integrated commercial placement fees.

A wide range of unscripted programming has emerged since 2000, and that range makes it impossible to speak of uniform norms in the form.

Unscripted programming *generally* costs less to produce—for example, an episode of the docusoap *Ice Road Truckers* was estimated to cost "well under $500,000" an hour in 2007.[25] The same report notes that "conventional network reality shows" cost "$1.5 million to $2 million" per hour, indicating that unscripted programming costs could quickly escalate toward scripted costs, but without the subsequent revenue windows.[26]

Unscripted series introduced a variability in production costs that was important for networks balancing the increasing costs of scripted series. In some cases the unscripted series provided networks with programs with a live appeal similar to that of sports, which might better guarantee that advertisements would be viewed, and viewed soon after the live airing. Though there may be little in the production financing of unscripted series that might be applied to the scripted world, the emergence of this form in the early days of the post-network era has been important for expanding the array of television narratives in circulation.

Independent and Outside Financing

Part of the reason for the persistence of deficit financing has been that it allowed the studios to become veritable banks once the system was established. Where the manufacturer of another type of good would go to a bank for a loan to develop a new product, the unpredictability of cultural industries made bank lending or investment rare. There was little collateral to offset the bank's risk, and bankers could hardly assume the risk of predicting the likely success of cultural products. The studio, on the other hand, is expert in the creation of content and therefore better positioned to risk money earned from past successes in the pursuit of additional properties with long syndication lives and profit streams. The alternative to financing through a studio is so-called independent financing, which has a long history in the film industry, but this has only recently emerged as a way to finance television production. In the film industry, independent financing has been a key source for the creation of films deemed too risky or lacking in the properties of likely commercial success; directors who are not beholden to a studio for funding also have greater creative autonomy. The film industry also began using financing from hedge funds and other large investors in the 1980s and 1990s. Hedge funds invest in film "slates" that offer a mix of films. The outside funding supporting television to date has been project-specific.

The challenges of the evolving television industry led to experiments with independent financing of television. One of the most widely discussed cases was the financing of the third season of the TNT caper drama *Leverage* by Winchester Capital Management. This case was unusual for a variety of reasons: the series creator, Dean Devlin, had a preexisting relationship with TNT after producing a successful series of films and was able to self-finance the first two seasons; and the financing wasn't sought until the third season, by which point the series had established itself and its popularity. Most producers would not be able to finance the initial, most risky season needed to create a track record, so while this case is notable, it doesn't provide a widely applicable model of funding.

But this type of funding structure is important because it allows, in the words of Ted Sarandos, the chief content officer at Netflix, a "shift" in "the development burden to the producer," a risk borne more heavily in the past by the distributor (network).[27] Though placing such costs on a producer isn't likely desirable, it also creates a mechanism by which the passionate producer has a way to circumvent studios unwilling to take a risk on an idea—which has been one contribution of the independent film sector to that industry. Sarandos explains how Netflix utilized this strategy in developing *House of Cards*, noting that it gave the director, David Fincher, a two-season, twenty-six-hour commitment. The funding for the series, though, was secured through the independent studio Media Rights Capital, which is backed by Goldman Sachs, AT&T, WPP Group, and ABRY Partners. As in the case of *Leverage*, the expansion of Media Rights Capital—traditionally an independent film financier—into television suggests the transition of independent film norms into television.

The emergence of companies specializing in providing independent funding for television could have significant implications for the organization of the industry. Though taking on more financial risk may be undesirable for producers, the relationships typically crafted with this type of financier allow greater creative freedom and may provide increased latitude in the variety of deals made with distributors. For *House of Cards*, this meant that MRC paid the costs of developing the show and outlining the first two seasons before sharing it with—and receiving input from—any network. One account notes that Netflix's deal for *House of Cards* allows it exclusivity for four years, after which MRC can license the rights through conventional routes, though Netflix is also reported to have paid a steep license fee (above $4 million per episode) for the first two seasons.[28]

New Distribution Models

Related experimentation can be seen in the distributor Debmar-Mercury's disruption of the deeply entrenched model for comedy syndication. In 2006 the company established a $200 million distribution agreement for a undred episodes of the first-run syndicated comedy *Tyler Perry's House of Payne* on the cable channel TBS, followed by a run on FOX-owned stations year later; more recently Lionsgate TV (Lionsgate now owns Debmar-Mercury) used this same model to produce the Charlie Sheen vehicle *Anger Management* and George Lopez's *Saint George* for FX.[29] Such deals entirely circumvent the broadcast networks, which are normally the original licensors for comedies, and the arrangement, now called 10-90 sitcoms, guarantees an episode order substantial enough that the studio can be certain it will be able to seek revenue from subsequent windows and do so more quickly than the usual production pace, which requires five years before a hundred episodes can be amassed. These deals require a channel to license and schedule a test run of ten episodes, and if the episodes achieve a predetermined ratings target, the cable channel is obligated to license ninety more episodes over two years. Debmar-Mercury can then sell secondary rights within two years.

While innovative in many ways, this model also has significant implications for production. As the industry journalist Cynthia Littleton notes, it "leaves showrunners no margin for screwups, reshoots or unplanned hiatuses to rethink story arcs."[30] Bruce Helford, the producer of *Anger Management*, describes the process as "backwards," but favorably so. For the first batch of ten episodes, Helford prepared and shot each episode over two days, in comparison with the five-day schedule common for a broadcast network sitcom—though Tyler Perry's shows have even produced three episodes a week. Helford explains that a strength of the initial ten-episode order derives from

> not trying to stuff everything into a pilot to get it to test well. And you really have to go on your gut instincts. You don't have the time to overthink things, and the actors don't have the time to get tired of the material. That gives it an honest spontaneity that you don't always see in sitcoms.[31]

Helford's final point is a preference for the adjustment in the dynamic between the producer and studio executives that the 10-90 format requires. The fast and relentless pace leaves little opportunity for network involvement, which allows the creator more autonomy.

Many of the changes in production norms introduced at the transition to the post-network era resulted from financial crisis and the need to find ways to produce less expensive content. The 10-90 comedies produced to date have not been hailed as exemplars of creative innovation or advancements in television comedy, but they suggest an adjustment in the television business. In the case of Tyler Perry's shows, the 10-90 format has surely contributed to Perry's uncommon success in bringing majority-black–cast entertainment to television.

Online Originals and Other Still Experimental Forms

As Internet sites such as YouTube, FunnyorDie.com, Hulu, and Yahoo have endeavored beyond distribution into original "series" creation, yet other models for production are emerging. In some cases, the established studios produce the content in a scaled-down model of what is common for broadcast and cable production. In other cases, a corollary to the independent financier can be seen supporting the work of producers who have built an audience based on videos made as amateurs; in this case, producers have acquired Kickstarter and other fan-funded backing. For example, Freddie Wong, known better as FreddieW, produced the *Video Game High School* web series, raised over a million dollars for multiple seasons through a Kickstarter campaign, and secured a sponsorship deal with Dodge.[32] Wong was also able to leverage the Kickstarter success and substantial YouTube subscriber base to gain production support from YouTube, including use of its YouTube Space Los Angeles studio.

At least as of 2014, it could be argued that YouTube was creating a space for content different from what might be found on conventionally distributed television. Where Hulu's experiment with the original series *Battleground* and Yahoo's *Burning Love* looked much like low-budget knockoffs, YouTube provided a forum for voices not likely to be found on broadcast networks or cable channels. Freddie Wong is a good example, but so too are the YouTube channels YOMYOMF and Awkward Black Girl, which have developed large subscriber bases for content—or at least acting and writing talent—still missing from the post-network abundance. Though YouTube's "channelization" efforts have not been particularly successful, the funded channels do help amateurs transition into professional video makers, and shifts toward subscription funding may offer further support for this content. YOMYOMF, which receives funding from YouTube, well illustrates what Alex Cross, YouTube's head of original programming, describes as the goal of the funded channels: "YouTube encourages people who are smart, engaged, and curious, as well as underserved in other media."[33]

But by 2013, a much less optimistic vision of these online portals also emerged. Two of YouTube's most high-profile channels, Machinima and Maker Studios, were openly critiqued by some of their most popular talent for a range of offenses including inequitable ad revenue sharing and forcing contracts that required creators to give up rights in perpetuity, often on young talent lacking access to representation.[34] Many of these disputes garnered a lot of attention within the subcommunities of YouTube channels, and social media have provided opportunities for aggrieved parties to publicize the conditions of their contracts, though several such videos have also quickly disappeared or gone private. It is clear that digital distribution hasn't led to a democratic utopia that only the most naïve would have supposed. Only time will tell whether the conditions of producing in the conventional industry and the emerging industry will remain distinct and how they will differ. Disney was in talks to buy Maker Studios for $500 million as I finished the book, while Machinima had recently received an $18 million investment from Warner Bros., which suggested a coming need to rethink the place of both entities relative to new and legacy media industries. These developments mirrored the model of many other industries that outsource research and development activities to entrepreneurs and then purchase needed technology or expertise once it proves successful.

The model of web distribution and Kickstarter funding suggests the most direct funding model possible, with creators developing content funded directly by fans. This strategy remained most preliminary, though widely discussed, as the book was completed. In recent months, the industry establishment turned directly to these funding mechanisms that developed to aid those without access to studio support. The success of Rob Thomas's Kickstarter campaign to fund a *Veronica Mars* movie in early 2013 drew significant attention to the ability of social media outlets such as Twitter to connect fans of shows outside the most successful and created a heady environment that imagined a mechanism for funding television production that allowed audiences greater feedback and even a stake in the process, or at a minimum, could "prove" fan interest in concepts of which studios were unconvinced.

Though the array of online original series continues to expand, the bounty of content and the lack of certain economic models have left the future role of this content unclear. As of 2014, online originals seemed to operate similarly to baseball's "farm league" system. The online distribution provided a way for new voices to be heard, and those deemed "successful" typically used that success to secure subsequent projects on broadcast and cable. Though it remains possible that circumstances will be different in the future, advertiser-supported online video was primarily a means to enter the industry as of 2014. To some degree, the shows developed for online original subscription services such as Amazon or Netflix function differently than those supported through advertising because the goal of this original content is to drive subscriptions, and perhaps technology sales in the case of Amazon. Though it remains early for online original video, it also remains to be seen whether a profitable business can be sustained in online distribution alone.

A final experiment bridges established and emerging digital production and distribution and suggests the possibilities of this environment for

established, though niche, performers. The comedian Louis C.K. drew a lot of attention in December 2011 when his direct-sale concert experiment netted $1 million in just three weeks. C.K. charged $5 per download and bypassed traditional distributors with a performance video filmed over two live performances and edited and directed by C.K. at a cost of $170,000. In a blog post recounting the details of the production, C.K. noted that he earned far more than expected. He donated a quarter of the profits, used another quarter as a bonus for his staff, and noted in a post made just four days after releasing the video and earning an impressive $200,000, that he'd made

> less than I would have been paid by a large company to simply perform the show and let them sell it to you, but they would have charged you about $20 for the video. They would have given you an encrypted and regionally restricted video of limited value, and they would have owned your private information for their own use. They would have withheld international availability indefinitely.[35]

The outcome of C.K.'s experiment was a valuable lesson for those who could afford to develop the digital distribution infrastructure—which C.K. priced at $32,000—illustrating that "conventional" pay rates can be achieved and surpassed for established artists, while also maintaining complete creative control.

As everything from Kickstarter campaigns to direct-to-consumer comedy shows suggest, the likely production norms of the post-network era remain far from certain. Most basically, the massive expansion in distribution explored in the next chapter has enabled a range of new practices to emerge. Many of the norms of the network era and multi-channel transition remain in place, though they are clearly being challenged, and within a few years, funding strategies that appear as mere experiments now will likely become more established. The multiplicity of types of "television" that now can be created and distributed suggests that it is unlikely that the industry will ever be so dominated by monolithic production norms again, so the question is not which of these or other funding strategies will replace deficit financing. The financial imperative of creating shows likely to succeed in syndication led studios to produce certain types of series—typically those with an established record, such as law, police, or hospital shows—and decreased the likelihood of producing less conventional fare. Multiple funding, production, and distribution models enable the creation of some content that might reach vast audiences and others that reach quite narrow segments, and both might be understood as successful by a variety of measures.

Labored Relations

Many activities are involved in the creation of television programming. Practices such as deficit financing and federal regulation such as the fin-syn rules operate at a macro level and exist as given norms of operation for those who work in the industry on a day-to-day basis. There are also many other important aspects of making television that are not externally imposed, one of which encompasses the working conditions and standard labor practices of the industry. By the end of the multi-channel transition, the Hollywood creative community at the center of U.S. television production featured many norms increasingly atypical of U.S. labor relations. Hollywood continued to operate with an unusual level of unionization; almost all work in the mainstream creative industries relies upon a collectivized entity to negotiate basic fee scales for work and residual payments on content. While the maintenance of union and guild centrality in Hollywood might be almost inexplicable relative to the union-busting and destabilization of workers' collectives throughout the United States, it does support the notion suggested by many who study creative industries and argue that this work involves features fundamentally distinct from most others.[36]

Despite the centrality of Hollywood's collectivized workforce, major labor disputes emerged throughout the multi-channel transition as studios and networks tried to save money by decreasing labor costs. The media scholar Chad Raphael notes that in the 1980s and early 1990s, five creative industry unions went on strike once (the National Association of Broadcast Employees and Technicians, the Directors Guild of America, the American Federation of Musicians, the Screen Extras Guild, and the American Federation of Television and Radio Artists); and the powerful Screen Actors Guild went on strike twice and the Writers Guild of America three times.[37] The 1988 Writers Guild strike lasted twenty-two weeks, delayed the premiere of the 1988 season, and cost the industry an estimated $500 million.[38] Indeed, the costs of this strike for both sides continued to weigh particularly heavily as new contracts created patchwork agreements for much of the multi-channel transition. Difficulty keeping labor agreements up-to-date with adjustments throughout the television industry resulted in a three-and-a-half-month strike by the WGA that concluded in February 2008.

New technologies and distribution windows have been particularly challenging for existing labor agreements. One issue developed from a deal agreed upon in the mid-1980s that established the residuals creative talent would earn on VHS sales that remained in effect through 2006—by which point DVD distribution had become a $4 billion industry, and various online

distribution formats were exploding. The key contention for creative talent resulted from the categorization of new technologies as "home video" rather than as "pay-TV," which earned four times as much.[39] Likewise, deals for cable production crafted in the 1990s remained in effect despite the substantial change in the type of programming and budgets of these networks, and creative talent such as writers began losing valuable income from rerun airings when networks decreased this practice as audiences embraced the new control and choice available. As new digital distribution platforms enabled studios and networks to experiment with allowing viewers previously unimagined access to programs, the industry lacked policies regarding how this distribution should be considered and what rights different creative workers possessed. Networks and studios also began creating supplementary content distributed on show websites, and it was unclear how the labor involved with these efforts should be remunerated. The guilds wanted compensation appropriate to their contribution to these new ventures, which threatened studio and network shares of the new bounty.

The new technologies and distribution formats that made previous contracts outdated indicate just one point of tension for the television industry's uncertain labor market. Some television producers had evaded the cost of union production by fleeing Hollywood in a practice known as "runaway production" and led many to worry about the future of work in this "industry town," although it was the already diminished film industry production that was primarily responsible for reducing the available work in the immediate Los Angeles area. Television work began climbing slowly in the early 1990s in response to new broadcast and cable needs and reached a peak in 2002, the year it bested feature films as the area's primary production activity.[40] During this time, much television was also produced outside the city; while 75 percent of prime-time series were shot in Los Angeles in 2005, only 44 percent of surveyed cable programs were filmed there, and 2012 featured a record number of new drama series shot outside California.[41] One way cable has been able to afford original programming has been by moving production to Canada, where producers avoid union rates and, in the 1990s and early 2000s, benefited from a weaker Canadian dollar. Some dramas that aired on the WB and UPN (later the CW) were also shot outside Los Angeles in response to the efforts of various cities and states throughout the United States that offer tax incentives to encourage the financial boost of production spending; most of the shift has been to New York.

The labor conditions at the heart of the union and guild strikes and runaway production affected the creation of programming in various ways. Although some people may associate fame and stardom with working in television, the percentage of workers who achieve household name recognition is infinitesimally small relative to the number of people required throughout the production process. The guilds and unions have functioned primarily to secure basic rights and suitable working conditions for those paid at base level, as the irregularity of production and the high demand for jobs have created ample opportunities to exploit this particularly unstable labor force. As the economic conditions of the industry changed in relation to the adjustments examined here, networks and studios sought cost savings wherever possible, and, with wages forming a large component of production budgets, these savings often came at workers' expense.

Raphael argues that early in the multi-channel transition the economic conditions and practices of the newly acquired broadcast networks contributed greatly to labor unrest, and that skyrocketing star salaries drove production costs so high that the networks had to begin including some low-cost programming. Such programming was first evident in shows like *America's Funniest Home Videos*, then in the surplus of newsmagazines through much of the 1990s, and finally in the unscripted shows that did away with the need for many unionized employees, particularly actors and writers.[42] Cost saving was an important factor in the surge in reality programming in the early 2000s, but the novelty of reality shows, as well as the fact that they drew larger young audiences than other lower-budget programs, was also part of their appeal. Nonetheless, by the end of the multi-channel transition, the industry had begun running out of the stopgap solutions that had allowed it to continue operating by subtly modifying the network-era model.

One of the consequences of adjustments in program financing models and outlets for video entertainment has been a significant disruption in the norms of industry compensation. Certainly many eagerly eyed the new revenue streams available first from DVD sales and broadband distribution possibilities (which at that time seemed endless), but determining how those funds would be shared has proven to be difficult for the industry.

Transitions in Programming

Many of the features of television programming that we have long taken for granted—that shows should last thirty or sixty minutes and have commercials embedded throughout, that they should air at the same time every week, that sometimes a network will air an episode that we've already seen—result from network-era norms of program creation established by the broadcast networks. Many of these practices resulted from a negotiation of economic considerations in a manner that again underscores the intricate connections among artistic and commercial components of cultural production. For example, once it became technologically possible, the "rerun" was a key strategy of broadcast economics as it decreased the number of weeks that the networks needed to pay for new programming. Likewise, conventional program lengths developed to facilitate the constant flow of programming and included the use of commercial messages embedded at anticipatable intervals that became characteristic of U.S. commercial television. These norms differ from those of other countries in which networks might allow periods of blank screens to air because of irregular program lengths.

The television season is a prototypical network-era concept, fundamental to a linear viewing environment, and emerged from factors of competition, audience research, and program acquisition and financing. The twenty-one- or twenty-two-episode seasons the networks purchased throughout much of the network era and multi-channel transition allowed the networks an initial airing and at least one rerun airing to fill a time slot for roughly forty-three weeks of the year. Remaining weeks were left for specials, films, sports, and holiday programming. The television "season" provides a quintessential example of an industrial ritual with commercial and artistic ramifications. No external force mandated this practice, but once developed, it proved difficult to suspend. In the early 1960s the Big Three networks established the concept of the "television season" that mirrored the U.S. school year (more on this in chapter 5). Spanning September through May, the season remained dominant for four decades and then began declining in the early 2000s as a result of a number of competitive pressures.[43]

The three networks did not establish this practice through formalized collusion; rather, they developed and maintained the practice as an unofficial industrial norm of mutual benefit that freed them from the need and expense of purchasing new programming for the fifty-two weeks of the year. When the upstart network FOX sought entry to what seemed a zero-sum industry in the late 1980s, it achieved some success by launching new series during the summer, thereby counterprogramming the reruns of the Big Three with original shows. Competition from FOX initially was not significant enough for the Big Three to adjust their conventional practices, but in the late 1990s, cable networks launched original narrative series such as *Any Day Now*, *Sex and the City*, and *Witchblade* during the summer. The increasing loss of audience members to cable during summer months began to jeopardize the network-era model of the television season, especially once the cable model of the year-round, rerun-free season emerged. Although broadcasters' abdication of summer competition had been supported by industry beliefs in sizable drops in audiences during these months, such drops had become insubstantial by the early 2000s. In the 1950s, the HUT (homes using television) level dropped 28 percent during summer months, but the average summer use in 2003 measured just 5 percent lower than during the regular season.[44]

Apart from the tendency of decreased television use in the summer, another rationale for the "television season" was maintaining optimal audiences during the key "sweeps" months of November, February, May, and July, in which Nielsen collected national audience data. The Big Three networks consequently organized their schedules to debut programs in mid-September in order to acquaint viewers with new programs before the November measurement. They then scheduled new and rerun episodes throughout the year so that the season concluded with widely viewed finale episodes during the May measurement. By 1987, however, Nielsen had refined its technology to allow it to measure viewing practices on a nightly basis; the People Meter could sample enough homes nationwide to produce nightly ratings that were accurate nationally, but not in individual markets.[45] This theoretically made sweeps periods unimportant to the networks' national advertisers, but the networks continued sweeps-schedule "stunting" both because the period remained crucial for their local affiliates and because the networks earned most of their revenue from the affiliates that they owned and operated. In 2004 Nielsen began implementing Local People Meter (LPM) technology in the largest markets, which enabled it to produce accurate local data nightly as well. Sweeps became functionally irrelevant to LPM markets, which included most of the networks' owned and operated stations, and further diminished the need to maintain the network-era television season, though it has persisted out of convention nevertheless.

Adjustments to the television season affected other aspects of the process of programming, including the corresponding cycle of program development. In the network era, the broadcast networks all began to develop new series in the late summer months, known as "pilot season" to some, during which program executives scheduled countless meetings with hopeful producers who "pitched" new ideas. Based on their interest in the ideas and their needs, the networks committed to pilot scripts and even pilot productions during the winter, so that by early spring they would have a variety of pilot episodes or presentations to consider for the fall schedule they announced at the upfront presentation in May. (The upfront presentation immediately precedes the upfront advertising sales process, during which broadcast networks have historically sold 75 to 90 percent of the advertising time in their schedules for the upcoming season.)

The broadcast networks' shared schedule for program development affected the creative process itself, as well as power relations within the industry. On the one hand, the shared calendar afforded creative talent a level of power, as networks wary of the scarcity of certain ideas sought to lock talent and ideas in place so as to not risk losing them to another network. On the other hand, operating on an industry-wide schedule constricted talent availability, placing actors and other workers in the dubious position of committing to certain projects and "passing" on others, while having little assurance that the project they committed to would be chosen for the network schedule. In fact, talent working on a series in production were often eliminated from consideration for new series because they believed their series would continue when they faced the real likelihood of show cancellation and minimal job security. This system created difficulties for networks, too, as when they signed "holding" deals with actors and creative staff to ensure that they would be available to the network—and to prevent them from working for others. This practice created inefficiencies when networks paid talent they did not use or if ideas sat on a shelf because a network would rather pay for a concept it might develop than risk losing an idea to a competitor. The use of holding deals also led networks to prioritize series that made use of the actors they were "holding," creating a dynamic in some ways reminiscent of the Hollywood studio era.

The decreased observation of the television season forced adjustments in the norms of the yearly development cycle. At least one network, FOX, claimed to utilize a year-round development process by 2005, though program debuts remained focused on fall and January, and the irregular schedules of cable channels also led to the emergence of alternative development cycles. Other networks claimed to program year-round, but primarily achieved this by maintaining the September through May norm and airing short-run unscripted series during the summer months. Maintaining the network-era convention of the television season benefited the networks because it eliminated the financial burden of year-round original programming. The financial losses networks faced as audiences not only switched to cable programming during the summer but also decreasingly returned in the fall provided the impetus to revise strategies.[46]

Adjustments in these cycles have modified power within the television industry. Freeing specific parts of the series development process from certain calendar periods creates more opportunities for creative workers. Writers and producers might be willing to present more unconventional ideas to networks if they do not need to fear that pursuing the project might lead them to be locked out of the job market until the following development season. Yet networks have continued to create countermeasures—such as holding deals—to reassert their control of this process. The interrelations among the convention of the television schedule, the upfront advertising buying process, and the annual cycle of development illustrate how a web of industrial practices continues to perpetuate undesirable consequences, and how the contingency of interrelated practices tends to thwart change. While new norms can (re)establish power relations among the various entities involved in the program creation process, change as significant as the erosion of the dominance of the television season is rare and will have widespread, substantive effects.

Cable originals challenged the yearly network time frame because their economic model did not require attracting audiences to each time slot each night of the week. The cable channels gradually developed particular time slots, and then particular nights in which new programming was consistently available, even if a program might appear only thirteen times a year. Following a strategy originally established by HBO, which built Sunday as its beachhead for original series, FX developed Tuesday then Wednesday at 10:00, while AMC featured Sunday debuts. This tactic certainly wasn't a complete success, especially if the program bench wasn't deep enough to maintain new episodes year-round or if substantial variation existed in the quality of the shows or audiences reached. Certainly these matters of schedule became decreasingly important as more viewers adopted DVRs that allowed automatic series recording, and diminished yet further once robust VOD offerings enabled easier nonlinear engagement. In the intervening period, many viewers were simply perpetually confused about when new cable series' episodes could be expected and whether a particular show had been cancelled.

Also important in adjusting production norms was cable's willingness to provide creators with more latitude on episode length. This was first noted as one of the storytelling strengths of subscription cable; writing for HBO freed writers from having to write commercial breaks and from the "shorter hour"—the forty-two to forty-five minutes of programming available per hour once commercial time is included—which could be a significant amount of additional narrative time. By the fifth season of *Sons of Anarchy*, FX frequently allowed for episodes with sixty program minutes, which it scheduled in ninety minutes, rather than forcing producers to trim the episodes.[47]

Another adjustment in form emerged from the different ways viewers can and do encounter video storytelling. The veteran director and producer Paris Barclay notes that "a new adrenalized storytelling" has emerged "as a result of Internet clips, and the ability for viewers to multitask on their iPads or phones while watching."[48] Here he notes awareness among storytellers of the value of small coherent bits that might be shared online and used to promote the show. His comment also acknowledges the "second screen" increasingly common in viewers' laps and the need to construct stories that hold viewers' attention to the main screen. Though the pressure to keep viewers off

Facebook and e-mail and engaged with narrative is still quite new (at least the electronic version of the attention problem), significant adjustments in story pacing, editing, and storytelling may emerge as a result.

Viewers' experience with cable channels' unconventional scheduling and season organization contributed to their changing expectations of broadcast programming and to broadcasters' willingness to deviate from network-era practices. Although shorter and more irregular seasons meant there would be less new programming than during the twenty-two-episode seasons common throughout the multi-channel transition—and twenty-two was a reduction from earlier norms—the variation in scheduling and season lengths expanded the types of stories that could be profitably produced for U.S. television. Before this, the production conditions advantaged narratives that could be organized into bits with episodic resolution, and thus limited the types of stories that could be and have been told. The demand for successful series to endlessly perpetuate themselves also resulted in many stale hours of U.S. television and made it difficult for the medium to explore stories that have a more finite narrative range, as is common in other national television contexts. The most recent development of Netflix releasing a full "season" of episodes at once has encouraged yet further innovation. The *Arrested Development* executive producer Mitch Hurwitz acknowledged that producing the last season for Netflix led him to think about the storytelling in completely different ways. He considered viewers' ability to watch and rewatch episodes at will as he constructed the series' stories and their organization.

The changing competitive environment has reinvigorated interest in the short-run or limited series that had been quite successful in the 1970s (*Roots*, *Winds of War*) and standard in many other countries. In many cases, networks—both broadcast and cable—produced limited-run series to test program ideas that seemed to defy conventional boundaries (NBC's *Kingpin*, *Revelations*, *Book of Daniel*; Showtime's *Sleeper Cell*; USA's *The 4400*; FX's *Thief*). Of these examples, only *The 4400* and *Sleeper Cell*, notably both cable series, proved to have the necessary viewer interest to warrant subsequent seasons of production, but even the others expanded the storytelling world for a few weeks. If not for the limited-run option, networks are less likely to commit programming budgets and schedules to such risky programming endeavors and consequently might avoid them altogether.

Another advantage of the closed-ended nature of these series is that they can attract creative talent unlikely to work in television otherwise. The director Steven Spielberg, who served as executive producer of the SciFi (now Syfy) miniseries *Taken*, is a case in point, as is the actor Kevin Bacon, who acknowledged that the thirteen-episode season was crucial to his willingness to accept the lead role in FOX's *The Following*. To be sure, the limited series has not replaced ongoing series, and successful limited series can be redeveloped to have multiple seasons; rather, the fracturing of the competitive environment allowed the return of programming forms that had become infeasible and indicated an important expansion in the storytelling that U.S. commercial television could encompass.

This erosion of norms has also been due to the distinctive economics and programming organization of cable channels, which forced them to defy the dominant programming and scheduling practices of broadcasters as they began to produce original scripted series. As the competitive environment adjusted, however, broadcasters increasingly borrowed from cable channels' experiments, adopting practices such as uninterrupted new episodes—especially for series with more serial organization—and intentionally ordering only thirteen episodes (which is different from cancelling a show after thirteen). The increase in production of more serialized series has also affected norms of syndication scheduling. The common scheduling practice for shows in syndication has been "stripping" them, or airing a new episode every day, Monday through Friday, at a certain time. When Spike purchased a syndicated run of *The Shield*, it "stacked" episodes instead, airing three episodes in a row on one night of the week to better enable the viewer to follow the ongoing storylines.

Although I argue that the multiplicity of practices emerging by the end of the multi-channel transition provided important new opportunities for television, it is also true that the variation in scheduling practices and season organization confused many viewers accustomed to network-era norms. The cable channels used no apparent logic in determining when to present new episodes of shows, which led to difficulty for casual viewers who did not regularly watch those channels in discerning when new seasons would begin. Maintaining network-era practices also became confusing amidst so many other varied scheduling and season organization strategies. This inconsistency in scheduling norms contributed to networks' enhanced efforts in promoting their shows.

New Challenges in Promotional Practices

They're [Netflix] also not spending $40 million a show on a marketing campaign. They have a guy in a room who writes an algorithm.
—Peter Micelli, TV packaging and literary agent, CAA, 2013[49]

Program promotion has tended to exceed the regular activities of making television, but the central role of the network in this process warrants assessment. For much of television history, few observers have considered networks' self-promotional activities. Throughout the network era and much of the multi-channel transition, networks commonly included clips from upcoming programs within their commercial blocks and, for the most part, limited their promotional activities to using network airtime. There were a few exceptions, especially with respect to particularly important markets: in this case, you could determine the value of your home television market by noting the number of billboards and other out-of-home advertisements on which networks considered it worthwhile to spend portions of their promotional budgets. Otherwise, the few viewing options of the network era made on-network promotion particularly efficient.

Adjustments throughout television production processes required new promotional techniques and increased the importance of this already essential practice. In the course of the multi-channel transition, broadcasters responded to expanding competition by increasing their on-network promotions; for example, a study of NBC and ABC found that an hour of each network's programming contained five more minutes of promotional content in 1999 than 1989, and another study estimated that the U.S. broadcast networks collectively aired 30,000 promos per year.[50] If the networks had sold that time to advertisers, they could have earned an estimated $4 billion—lost revenue that further suggests the economic significance of promotion.[51] Though annoying to audiences, this increase in commercial load—known to advertisers as clutter—was also known to decrease the effectiveness of their messages. An analysis by Needham and Company estimates that "marketing and advertising costs often add 40 percent to the costs incurred to produce [television] content," but also that "marketing spending only buys viewer trial, not repeat viewing."[52]

Broadcasters' reliance on their own network as their primary promotional venue meant that the emergence of cable competition produced twice the consequences. Cable programming lured broadcast audiences away from broadcast series and also removed them from the audience for promotions; the latter effect became particularly problematic as audiences missed promotion for the fall season during their summer cable viewing. As a result, broadcasters suffered decreased ratings for new shows and had fewer opportunities to pitch upcoming content to their target audiences. The diffusion of audiences into niche venues and to new technologies that also diminished the utility of on-network promotion required more varied and precise practices.

Networks began experimenting with new promotional strategies to find the audience members who were eluding their traditional techniques as the post-network era began and most programming no longer attracted a large and heterogeneous audience. First, they made use of "sister" networks joined through common conglomerate ownership to reach a broader audience with conventional strategies. These endeavors often illustrated the "synergy" the vast media mergers were intended to create, as in the case of MTV airing a special about the new season of *Survivor* just before its launch on CBS, when both networks were part of the Viacom conglomerate. A telling indication of the extent of sibling promotion emerged in 2002 with the news that the largest advertiser on AOL Time Warner media was AOL Time Warner. The conglomerate contributed 5.5 percent of the $8.5 billion AOL Time Warner reported in advertising and commercial revenue that year.[53]

In addition to leveraging cross-ownership, the networks also maintained conventional promotional strategies or enhanced efforts in established venues such as through television critics. The networks staged elaborate press tour events for critics in hopes that they would draw attention to new shows, as critics' columns provided a way to reach viewers who may not be watching the network. Critics became increasingly important as their reviews and "tonight on" recommendations provided promotional venues to alert viewers of programming on networks and cable channels they did not regularly view and as legitimate, unbiased sources within the cluttered programming field.

Irregular and infrequent viewing, which was an acute difficulty for cable channels from their launch, complicated their promotional efforts. Like broadcasters, the cable channels were their own primary venue for promotion of their content, but few cable channels could rely on regular and consistent viewing in the manner that broadcasters maintained. (There were exceptions such as MTV and ESPN, which cultivated regular viewing in their niche audiences.) Thus, cable channels would have to commit substantial budgets to off-channel promotion if they hoped to reach an audience broader than their few million regular viewers—a significant expense not incurred by most broadcast programs. Under the circumstances, common ownership proved particularly valuable for cross-promotion, and this provided one of the few places where conglomerates achieved their goals of synergy.

Although broadcast networks had the advantage of regularly attracting more viewers than cable channels, as audience segmentation expanded, they found it increasingly difficult to maintain their audience status in a promotional environment valuing niche appeal. Clear channel branding became a trademark of successful cable channels, but their very mission as "broadcasters" made such branding impossible for broadcast networks. For example, in some weeks of the 2005–2006 season, over half of the CBS schedule featured episodic crime dramas. Although these series greatly contributed to CBS's status as the most-viewed network at the time, the consistent success with a specific genre gradually decreased the diversity of the audience likely to "stop by" CBS, where they could be reached with promotions for other shows. In that same season, CBS launched an innovative series about a young music executive called *Love Monkey*, yet poor ratings for the series in its first three airings led the network to pull the remaining episodes and cancel the show. *Love Monkey* was very different from most CBS programming at the time and was therefore likely to reach an audience distinct from the one that viewed the CBS criminal dramas—viewers who liked crime drama were more likely to switch to NBC to watch *Law & Order: Special Victims Unit* during the hour when *Love Monkey* aired. Consequently, not only was much of the promotion for this show, which appeared in crime dramas, wasted, but also the lack of similar programs on CBS's schedule made it difficult to marshal an audience for a series different from those already airing on the network. Moreover, though crime and detection procedurals have been crucial to CBS's broad-based success, this would not be a productive way to brand the channel, since in total, these prime-time series are but one part of a network that also features news, morning talk, and sports programming, as well as comedies and other types of prime-time programs. Apart from illustrating the challenges of promotion in a more fragmented media environment, this example also indicates the importance to networks of relatively mass events more likely to draw heterogeneous audiences, such as *American Idol*, the Olympics, and live sports. In addition to garnering high ratings, networks can recoup the value of costly league license fees and exploit the value of such events by maximizing their broader reach in promoting coming network fare.

These possibilities notwithstanding, by 2004, the networks had begun experimenting with less conventional promotional strategies off the air. For a few years, networks tried a broad array of efforts to reach viewers, though quickly moved away from these once "social media" arrived and created entirely new ways to market to and interact with viewers. By 2010, social media and new forms of distribution had created many opportunities for connecting with audiences and drawing them in to programming. Refinement of these strategies continues at a fast pace, as trends in technological uses of both television and social media such as Facebook and Twitter evolve. A key strength of the new tools available to marketers is that they provide alternatives to the mass messaging once common. Many of the new promotion strategies can be as tailored to audience tastes as the shows they promote.

Of the pre–social media strategies, ABC instigated some of the most creative off-air promotion through campaigns such as its marketing of *Desperate Housewives* using dry cleaner bags printed with "Everyone has a little dirty laundry" in 2004; likewise, it promoted *Lost* by distributing messages in bottles with details about the show. Of course the success of these creatively exceptional shows might have been entirely unrelated to these unconventional promotional campaigns, but many networks followed the strategy regardless. Significantly, these uncommon strategies also yielded substantial public relations buzz, enhancing the effectiveness of the campaign without additional cost. Experiments grew more varied in the subsequent season: NBC strapped portable television screens showing previews of *My Name Is Earl* to young women in bars; the WB installed special mirrors with a paranormal effect in two hundred nightclubs in three cities to promote *Supernatural*.[54]

Though these strategies garnered public relations attention, some networks also took advantage of new technologies and distribution possibilities that better enabled achievement of their primary goal: getting viewers to just watch the show. Here, a key strategy involved expanding opportunities for audiences to sample content, which, in turn, involved experimenting with alternative distribution methods. The first experiment emerged over a year before the explosion in online distribution platforms and possibilities that began in October 2005. In September 2004, the WB made available the pilot of *Jack & Bobby* for free to AOL's 3.5 million broadband subscribers. Audience members viewed the episode more than 700,000 times in the eight days before the series' launch.[55] Although *Jack & Bobby* did not survive the season, alternative distribution that expanded viewers' ability to sample series proved a valuable promotional technique in helping the new series break out of the cluttered environment at the beginning of the season.

Promotional strategies utilizing digital distribution began in earnest as the networks introduced new shows in 2006. Many pilots were "leaked" to popular sites such as YouTube or peer-to-peer sharing networks such as TVtorrents as networks realized that the artificial scarcity they created for their products contradicted their goal to build audiences.[56] Not all efforts relied on digital distribution: a captive audience numbering over four million had the opportunity to view the pilot of UPN's *Everybody Hates Chris* aboard American Airlines flights; networks included DVDs of pilots in copies of *Entertainment Weekly* or gave them away in other promotional venues, while the studios' practice of releasing the previous season on DVD just before the launch of the new season also made use of new distribution possibilities to aid series promotion. The networks' promotional efforts were estimated to cost them as much as $200 million for the 2005 season.[57] Such efforts weren't isolated to program launch; as audiences and networks adjusted to the post-network era's nonlinear possibilities, networks enabled VOD and other viewing opportunities that may have appeared a scheduling strategy, but were more precisely a matter of promotion.

The range of off-air strategies that developed throughout the 2000s may have been new to broadcasters, but many of the efforts were pages from the book HBO had written on successful promotion in the late 1990s. Basic cable channels first replicated HBO's strategies in their effort to break into domains of attention controlled by broadcasters. In addition to the challenge of airing on a subscription network—and therefore being unavailable in the majority of homes—the unconventional and irregular seasons of HBO series required that the network engage in a major promotional blitz to remind existing subscribers of new episodes and lure new ones to subscribe. HBO used out-of-home and DVD previews years before broadcasters seemingly invented these strategies. The differentiation of the HBO product from that of other networks also enhanced its marketing options. The style of HBO promotions tends to replicate the network's value proposition of offering something of exceptional quality and clearly distinct from the rest of the televisual field. Despite the fact that HBO reaches only a fraction of television households, buzz about HBO programming has frequently dominated the popular culture space, including front-page coverage of the long-anticipated sixth season of *The Sopranos* in the mass audience–targeted *USA Today Weekend* supplement.[58]

Following HBO's effectiveness at achieving word of mouth about its programming, network marketers have also used "viral" marketing strategies enabled by Internet and social media communication as competition among broadcast networks has grown more intense. The networks have thus designed campaigns to reach "super fans," those peer-influencing viewers who might talk up a series in offices and chat rooms. Where the common viewing of the network era once led viewers to discuss the previous night's viewing around the apocryphal watercooler, the conditions of the waning years of the multi-channel transition and the opening years of the post-network era have required networks to utilize pop-culture opinion leaders to lead viewers back to their sets.

The next flashpoint in evolving promotion techniques drew lessons from these experiments and began to use social media to ignite further interest. FOX took the unconventional step of broadcasting its pilot of the musical series *Glee* immediately following *American Idol*'s May finale in 2009. The concept of *Glee*—a series about a high school choir group and largely structured as a musical—seemed most unlikely to excite audiences, but the pilot illustrated the series' vast entertainment value. Betting that the key to success was to get people to sample the series, FOX teed it up on its best platform and then made the series available for free streaming across a range of broadband distributors until the series' second episode was aired in the fall.

In addition to making the pilot widely available and allowing plenty of time for word of mouth to build, FOX's promotion team used emerging social media tools to stoke further excitement and leveraged many older strategies as well. Each character had a Twitter account that the FOX public relations team used for posting amusing tweets, as did many of the largely unknown cast members; multiple versions of the pilot were released, including a director's cut and a version featuring the cast tweeting about the episode; and FOX conducted a contest for the biggest GLEEk—the person who did the most to spread the series over social media. All the social media helped feed and expand some of the more traditional—though still unusual—summer promotion such as the cast's appearance at Comic-Con, a series of mall concerts, and an appearance in Los Angeles.[59]

Certainly *Glee* had particular features—such as the musical performances—that offered entertainment value to what might otherwise have been simple star-sighting promotion events. Further, its high school setting matched well with the younger generation's technology adoption. Since *Glee*'s success, program marketers have tried a variety of strategies to drive viewers to shows, to keep them engaged between episodes and seasons, and to encourage them to do promotional work for them. It seems unlikely that any magic formula will emerge, since different types of shows have different features that lend themselves—or don't—to social media campaigns. And it certainly seems the case that no amount of creative marketing can overcome a show that isn't similarly compelling. But in the post-network era, simply making the most likely audience aware of a show is a sizeable challenge in itself.

Promotion has also become more integrated into the basic processes of series creation. Many shows have developed additional content that networks make available on their websites to better serve viewers' desire for "more" of their favorite shows. Some series also utilize blogs written by a member of the series' writing staff as a way to communicate and engage their fans. In some cases the blogs present "extratextual" content—storylines and information related to, but independent of, the actual series narrative, while in other cases, series' staff use the blogs in the same manner as many fan forums that predated the blogs, treating the space as a means for talking about the show and joining in fan discussion.[60]

Networks have seen immediate results from their online promotions. Viewership of the CBS comedy *How I Met Your Mother* increased by one million viewers, an 11 percent increase, the week after showrunners posted a music video supposedly made by one of the characters on My Space, while the *Late Show with David Letterman* increased its viewers by 5 percent in the month after a promotional deal between CBS and YouTube began.[61] Even the public auditions for unscripted series can provide promotional value; although the series cast few "characters" in these venues, local press about them, as well as publicized casting calls, encourage existing fans to increase their stake in such shows.[62] Initially, show marketers had to rely on viewer interest to search out the content, but the development of social media created opportunities for many additional ways to reach viewers and build their interest in shows.

In stressing such innovations in promotion at the beginning of the post-network era—as well as the challenging conditions that gave rise to them—I do not mean to suggest that establishing successful shows in the network era was easy. Fred Silverman, the renowned programmer of that era, was once quoted as saying, "Fifty percent of success is the program and fifty percent is how the program is promoted."[63] But the new conditions of the multi-channel transition and emerging post-network era have certainly required adjustments in how programs are made, scheduled, and promoted, and here it is important to note that promotion does more than draw audiences to programming; it also prepares them to have certain expectations of the show and thus contributes to how they understand it.[64] For example, in its promotion of its 2002–2005 series *American Dreams*, NBC often emphasized nostalgia and conventional characteristics of family drama, despite the series' regular engagement with deeper conflicts and darker aspects of its 1960s setting. Not only did this promotion repel audiences uninterested in the saccharine stories that are common to family dramas promoted in this way, but not characteristic of *American Dreams*, it also contributed to how viewers who did watch the series approached and defined the show.

Even though programmers' promotional efforts illustrate new levels of creativity, these techniques do little to solve the core marketing problematic of matching interests or needs with particular "products." The linear television business would never be a distribution form that could maximize the potential of digital tools to develop effective recommendations in the manner offered by a retailer such as Amazon or a service such as Netflix, whose use of "because you bought/rented *x*, you might like *z*" formulations have proven to be particularly effective in cultivating sales and loyal customers. Data from Netflix show that viewers who selected rentals based on the recommendations that matched both their rental histories and their ratings of those earlier rentals had far higher satisfaction rates than viewers who selected rentals based on blockbuster promotion.[65] Post-network-era promotion could better take advantage of nonlinear viewing to emphasize marketing that is more targeted and that leverages the increasing volume of data obtainable through social networks to craft recommendation engines and tools for sorting content that apply viewers' specific tastes and preferences—which is the adjustment, still mostly specific to Netflix, that Micelli references in this section's epigraph. As Netflix experiments with content creation, this bank of data about viewer behavior and preferences also becomes a tool for selecting themes and genres of new shows.

Conclusion

It used to be that the hits paid for the failures. But now, as the margins get smaller and your upside is cut in half, the economics of doing business become much more challenging. We're extremely sober about being an independent in this climate but being independent may have also enabled us to weather this downturn better than some of the competition.

—David Kissinger, president, Studios USA, 2001[66]

In the epigraph above, David Kissinger reflects on how being an independent studio helped Studios USA survive the changing industrial environment for program creation in the late 1990s. Importantly, Studios USA's independence was short-lived; the studio became part of Vivendi-Universal less than two months after these comments. The transition into the post-network era has indicated that production norms can change quite significantly when adjustment is forced by new conditions, but also that change merely in anticipation of adjustment is nearly impossible. As we analyze the relationship among production, financing, and distribution, production seems the component that redevelops most in reaction to more deliberate evolution by other components. So while it seemed that the industry had changed significantly enough in response to the fin-syn rules in the early 2000s as to write the obituary of the independent scripted production sector, by 2013, new competitors relying on a different financial model (Netflix with *House of Cards*) and even those forcing evolution on some of the most staid areas of the industry (the 10-90 format) revealed again the cyclical tendencies of industries in which it is not only characters, but studios and industry sectors, that may rise from the grave.

Considerable experimentation with production practices that respond to new distribution opportunities and new funding mechanisms persists to a degree that makes it difficult to predict what ultimately might emerge as post-network-era norms. The evidence at this point suggests considerable innovation; low-budget production practices that can stretch a Kickstarter budget or speed norms of comedy production—as through the 10-90 format—indicate some adjustments, while both studios and independent financiers simultaneously produce television that sets budgetary records. Production is one place where the innovation encouraged by the climate of uncertainty is evident. "Unconscionable" profits may no longer be possible, but it is difficult to claim that the changes have diminished the quality of the products that are now possible.

The displacement of linear viewing led to substantial consequences in the content of program promotion. Rather than letting viewers know when a program would air and giving hints about "this week's" story, networks created ads more akin to film trailers, designed to rouse viewer interest in core aspects of the story.[67] The way certain types of television have come to be discussed in culture—mostly original cable series right now—has inculcated new viewer expectations. After reading endlessly about *Downton Abbey* in newspaper articles and Twitter feeds, the uninitiated viewer does not seek to watch the latest episode, but to begin the story from its pilot. Even a transition in behavior this small is important for imagining a much different television future.

Marketers' post-network-era strategies consequently continue to evolve from a task focused on driving viewers to watch a particular show at a particular time to helping viewers find content of interest amidst the vast programming abundance. Though all sorts of arguments can be made for the excellence and achievement of some programming in this era, those claims are tempered by the reality that simply "being on" television no longer assures the cultural relevance that was once the case. For all of the new potential the fragmented television space provides for the circulation of ideas and stories far beyond the limited mainstream of the network era, many series air as though they are trees falling in unoccupied forests.

The production and promotion strategies explored here intersect with the expanding distribution opportunities discussed in the next chapter. Given the changes in technology and distribution, it has become increasingly possible to imagine a future in which broadcast networks exist as advertising-supported venues for free initial program sampling that viewers could then subscribe to and view at a self-determined pace. Such a situation would disrupt many norms of program creation even more than they have been thus far. Programming decisions would no longer be subject to the need to find shows to fit an established schedule, and new financial models would develop. Indeed, the very place of networks—both broadcast and cable—could become uncertain in such an environment; studios and MVPDs could take on the distribution capabilities networks have long controlled.

And it is also the case that premiere ratings grow decreasingly relevant in gauging series. Though journalists continue to focus on audience size at premiere—a measure important for networks focused on creating mass audiences for high advertising compensation—the matrices needed to account for the complexity of revenue streams have yet to become part of the popular conversation about series "success." Studios now need ways of better evaluating the long life and many revenue streams series may have. For example, industry journalists devoted expansive attention to Netflix's *House of Cards* premiere—how many viewers watched how many episodes how quickly. Yet in the case of the niche exclusivity of Netflix as a service accessed by an audience measuring less than a quarter of television homes, this first release provided limited suggestion of the series' cultural relevance. Similarly, though many cultural discussions of success were focused on how many viewed the premieres of *Game of Thrones* or *Homeland*, a more sophisticated discussion including download revenue and DVD sales was certainly warranted.

Unlike the case of the production components considered in the chapters before and after this one (technology and distribution), where preliminary post-network-era practices were coming to be established by the time I completed this book, the practices of making and promoting television series lag somewhat behind these components—in some ways, in need of more permanent norms of distribution and economics in order to develop production norms that match these new realities. Adjustments in the distribution and financing of television programs will surely continue to alter the process of show creation in significant ways, and the continued erosion of the network season and schedule certainly suggests further steps toward the ultimate collapse of linear viewing norms for prized content. The freedom from the constraints of only telling stories that could be confined to thirty- or sixty-minute episodes, in twenty-two episodes per season, and in an ongoing but mostly episodic narrative began to illustrate the expanded programming possibilities of the medium, and the diversifying financial models explored in subsequent chapters will disrupt norms for program creation even further.

4

Revolutionizing Distribution

Breaking Open the Network Bottleneck

The future is about whatever I want, wherever and whenever I want it. . . . and the more ways you do that, the more revenue there is for everybody in the business.
—Josh Bernoff, Forrester Research, 2005[1]

An age-old debate within the television industry concerns whether content or distribution is "king." Your position on this question depends greatly on what sector of the business you work in, with favor going to your own role as either a creator of content or a controller of the means by which content reaches viewers—that is, a distributor. This debate was somewhat less complicated in the network era, when ways to distribute television were scarce. Producers sold series either to networks or to local stations—a situation that created a significant bottleneck that allowed only a limited amount of programming to get through to viewers. After programs had an "original run" on a network, producers typically resold the episodes in international markets, to independent stations, and to broadcast affiliates to recoup the costs of deficit financing. These opportunities to sell content after and even during the original network run are called "distribution windows."[2] The limited number of distribution windows in the network era greatly contributed to the ephemeral nature of television programming at the time, for without personal recording capabilities and few alternative ways to receive

5

The New Economics of Television

Madison Avenue is stuck in a 1950s time warp. While the era of mass media has long since departed—just glance at the hundreds of cable channels and thousands of special-interest magazines if you require proof—most ad agencies still operate the same way they did during the Eisenhower administration: Toss a single TV spot at millions of random viewers in the hope that a small fraction might be interested in that new Chevrolet or life insurance from Prudential.

—Paul Keegan, "The Man Who Can Save Advertising," 2004[1]

The advertising business has not matured in the past thirty or forty years. I wouldn't blame the current need for change on TiVo. It's an evolutionary process that has stagnated because advertisers and networks have been slow to recognize and adapt to changes in the consumer marketplace.

—Lee Gabler, Creative Artists Agency[2]

The commercial model supporting U.S. television has remained fairly stable since its establishment in the mid-1960s. As many have criticized, the lack of innovation and change in the relationship among television networks and their Madison Avenue supporters indicated a stunning lack of dynamism. Certainly, shifts occurred as audience measurement systems grew increasingly sophisticated and cable networks introduced new options throughout the multi-channel transition. For the most part, however, dominant practices remained in place until the late 1990s, when it became apparent that changes of prodigious proportions were approaching. Most tried to ignore them. Others attempted to halt them or hoped for some sort of intervention that would offer reprieve. A few boldly looked forward.

Advertising has always been central to the economics of U.S. television, but an unusual confluence of immediate economic crisis, programming innovation, and cultural uncertainty combined with the established consequences of expanded viewer choice and control to elicit the variety of responses attempted by advertisers in the early years of the twenty-first century. Historically, U.S. commercial television was dominated by certain advertising norms such as the thirty-second commercial. But this convention resulted from particular industrial organizations and competitive strategies of the network era and multi-channel transition, and was no more inevitable than the emerging post-network norm in which multiple advertising strategies, including product placement and sponsorship, began to coexist with the thirty-second ad. Such a multiplicity of strategies corresponded with the increasingly diverse practices, diffuse industrial organization, and distinctive programming experiences characteristic of the post-network era. The multiple television advertising strategies explored here—product placement, integration, branded entertainment, and sponsorship—did not "kill" the thirty-second ad, as so many trade articles suggested. Rather, they reflected the increasing variety of practices and types of television common throughout the production process, although, again, the transformation was not instant.

The scope of coming changes was clear to all by the late 1990s, and one might expect advertisers to have the greatest interest in identifying new models and norms because they paid for the system. Certainly all of the relevant players observed the data that trickled in during the multi-channel transition. Broadcasters, with their diminishing audiences and successful demands for higher rates, were not going to suggest a change in the status quo. Cable channels had much to gain and regularly agitated for more support from advertisers. Despite cable's multiyear existence, the channels did not develop compelling, word-of-mouth-generating narrative series programming until the late 1990s—particularly in the key prime-time period—which helped perpetuate broadcasters' dominance. The cable networks offered advertisers a new multiplicity of advertising sites, but the expanded choice of the multi-channel transition alone was not significant enough to cause a reevaluation of the commercial funding practices of U.S. television.

Indeed, it was one of those boxes viewers connected to their sets that brought about notable hand wringing and initiated some experimentation from advertisers and buyers. As the epigraphs to this chapter suggest, it was less the DVR box itself than the fear of the DVR box and the empowered consumers who owned them that shifted Madison Avenue out of fifty years of complacency. Over a decade before the first DVRs entered the home, the technology's analog predecessor, the VCR, sparked the industry to a similar panic.[3] Yet the end of the world of commercial advertising predicted in the early 1980s never transpired, which made it all the more curious that advertising agencies and networks so quickly forgot their unfounded fears when the DVR debuted. Despite the fact that the DVR, like the VCR, enables viewers to record and later play back programming, DVR early adopters—many of whom worked in the industry—knew something was different. The technology was too easy to use, its digital capabilities involved too substantial a leap, and its ready program guide was far more likely to entice viewers to actually view the shows that they recorded and thus become a default mode of viewing. Industry experts also knew that video-on-demand technology was maturing. Viewers were no longer going to be satisfied with a mere range of options; once allowed to sample the new technologies, they would demand control over when and how they would watch, and they were no longer going to be captive for commercial breaks. Instead of the 300-channel universe, the control technologies and distribution adjustments provided a 10,000-hour universe of instantly available programming.

Blaming the DVR for the experimentation in advertising techniques and program financing norms that emerged in the early 2000s makes for an elegant argument, but it is a grand overstatement of the impact of the device. Certainly the reassessment of dominant advertising models was overdue long before DVRs enabled advertisement skipping. The future uncertainty fueled by the DVR only helped the industry toward the "tipping point" at which the risk of trying something new appeared less dangerous than blindly maintaining the status quo.[4] Broader economic factors, including the 2000–2002 dot-com crash, the 2008 recession and Lehman Brothers bankruptcy, and the lingering economic malaise, also had substantial consequences for the advertising market. Consider that local television advertising was down 14.7 percent from the first half of 2000 heading into the fall of 2001 when the attacks of September 11 produced further uncertainty in the market.[5] After the attacks, analysts revised forecasts to predict even greater declines in advertising spending, and advertisers feared for the future of their industry.[6] Just as the equilibrium returned following these disruptions, the housing crisis, massive unemployment, and the so-called Great Recession again created economic uncertainty and an environment of contained advertising spending.

Alone, the disruption of new technologies and forms of distribution that bombarded traditional television industry norms would have been a lot to weather, but the fact that new, potentially industry-rupturing developments such as Netflix, Facebook, and Google's AdWords emerged concurrent with broader economic crisis made the questions of how to react even more stupefying. The growing echo chamber of industry "analysts" tended to lack a long view about the scale of change portended by "new media," a myopia in some cases encouraged by the simultaneous emergence of self-anointed industry bloggers who rarely provided the reasoned investigation of more grounded industry journalism, which was experiencing a crisis of its own. Though it was clear that the future would look different, maybe even *very* different from the past, it was entirely unclear what that future would encompass, which led to the overvaluation of potential disruptors and the undervaluing of established industries—such as MVPDs in the mid-2000s, for example. Yet still, in 2013, PricewaterhouseCoopers estimated that the U.S. television ecosystem would report a total revenue of approximately $142 billion.[7] Of this revenue, about 47 percent was derived from advertising and 53 percent from subscriptions to MVPDs. And despite the direness sometimes suggested by industry accounts, these remained incredibly profitable industries—just not *as* profitable in some cases. Analysis by SNL Kagan showed profit margins that averaged 40 percent for cable channels and 10 percent for broadcast channels. And while MVPD margins for video dropped into the mid-20s, most now earned profit margins of nearly 60 percent on Internet service.[8] So though some margins were diminished, they remained enviable relative to many other industries.

Well before the onslaught of new means of distribution and the broader economic crisis, the advertising industry was aware of the inadequacies of their measurement tools. All knew that network-era audience estimations offered only a suggestion of those who might or might not view a commercial; trips to the bathroom and the refrigerator had long stolen audiences before VCRs and remote controls exacerbated challenges that DVRs would further exploit. While introducing a panel discussion of new advertising practices in 2004, the industry commentator Jack Myers described the content of a trade advertisement hanging in his office. The ad reminds its audience—that is, advertisers—that only through "creative ingenuity" will they reach the "disappearing America," such as those fleeing to the kitchen or elsewhere at commercial breaks. Myers's punch line: the ad was created in 1953.

The problem of reaching the right viewers with the right advertising messages was thus by no means new, and by the early years of the twenty-first century, advertisers had more tools to aid them in this task than ever before. But the management structure and culture of the agencies had become far more "corporate" and reflected the structures of their clients, which had become lean, post-Fordist corporations that would not tolerate any economic inefficiency or uncertainty and sought guarantees that no advertising dollar would be wasted.[9] This concern about the efficiency of money spent on advertising drove an obsession with return on investment at the same time that the industry experienced unprecedented change in its advertising techniques and consumer research methods. The margins throughout the

business were shrinking. The profits of the 1960s and 1970s were so great that the industry could maintain substantial revenue even as the multi-channel transition fragmented audiences and the middlemen between studios and audience expanded; but this could not continue forever. Audiences would not, could not, continue to pay significant hikes in fees for cable as well as broadband, and mobile services that quickly came to seem more essential than television programming. Likewise, financially secure consumers might have the leisure dollars to purchase one or two subscription services such as HBO or Netflix, but Hulu Plus, Amazon Prime, and YouTube channels as well? Piecemeal adjustments would last until the margins eroded, but at some point, these businesses would have to reinvent their models to correspond to an era of digital distribution.

The industry press often framed the redefinition of advertising practices as a question of the life or death of the thirty-second spot, but the relevant questions were far more substantial and nuanced. The advertising industry needed to respond to the challenges of an increasingly fragmented and polarized audience empowered with control devices that enabled them to avoid commercial messages in a variety of ways. An assortment of new and old strategies emerged or reemerged haphazardly during the waning years of the multi-channel transition. Although advertisers experimented with a distinct range of strategies, little consensus existed within the industry about what to call them: anything other than a thirty-second spot was often labeled "product placement" despite the significant variation in the strategies used.

Shifts in dominant advertising practices can substantially affect television programming and, consequently, the stories the medium provides. This chapter, then, distinguishes among different practices and notes their ramifications for the advertising industry and beyond. As in the other production components considered throughout the book, the adjustments in the operation of the advertising industry have significant implications for television as a cultural institution. Advertisers' desire to reach young, upscale demographic groups enabled the production of content that defied previous norms, while the multiplicity of financing strategies likewise diversified the range of programming commercial models could support.

Though advertisers have provided the dominant source of funding for U.S. television for the last sixty years, significant uncertainty about the future of television advertising persisted in 2014, consequently calling into question the future organization of the television industry. Already, the terrain of audience and advertiser financing looked different in 2014 than it did when I wrote the first edition, published in 2007. The early through mid-2000s indicated a lot of experimentation with advertising techniques, but while not failed experiments, no strategy has emerged as a replacement. Indeed, various models of product placement and integration have become crucial to and commonplace in unscripted television, and sponsorship has become core to live sports, but prized content resists network-era practices such as the thirty-second advertisement.

Rather than any of the television-based experiments, it has been the emergence, adoption, and integration of smartphones that may portend the most radical change for U.S. television's advertising-based norms. It seems unavoidable that some entrepreneur will discover a mechanism that harnesses the mobility and ubiquity of the smartphone, perhaps in combination with social media, to create an advertising platform that leaves the inefficiencies and uncertainties of most television advertising far behind. The thirty-second embedded advertisement that has been the norm of television advertising has always been highly imperfect, but it was a decent mechanism given the tools available in the network era. It remains only a thought experiment at this point, but we might imagine the post-network era as one that takes shape with only a small fraction of the previous era's advertising dollars spent on television, and that support is most likely to remain in programming that provides an environment in which advertising is most effective, such as live sports. It is the belief in a coming, superior advertising vehicle that contributes to my skepticism about the long-term viability of linear television.

Though in 2007 I imagined a diversity of advertising strategies to undergird the post-network era, the emergence of the television experience I describe in relation to prized content and evidence of more optimal advertising vehicles based on mobile and social media technologies suggest that the post-network era will feature a combination of advertising and direct-pay economic models. As noted in the last chapter, what is crucial to the future evolution of television is establishing an economic model appropriate to what are becoming post-network technological and distribution norms, and the progression since the network era has featured audiences paying more and more for television programming. As the expansion in original cable series has brought about an era of true programming abundance, carriage fees from MVPDs have become an increasingly substantive component in network/channel balance sheets. This is not to suggest there is much room in viewers' budgets for incremental direct pay on top of existing cable and broadband subscription, but to forecast that the inefficiencies in the bundling of content into channels and then channels into tiers cannot be sustained in the post-network era. Making content affordable for viewers and adequately profitable for creators will require contraction in the middlemen between these entities.

But the work of this book is not prognostication, and its arguments are based on available evidence. It is clear that long-established inefficiencies have begun to produce crisis: the exuberant initial response to Netflix and the doubling of zero-TV homes are a meaningful indication of discontent, though still small-scale phenomena. Yet it will likely require far more crisis—think the recording industry circa 2002—or some visionary industry leaders to force those still comfortable with the status quo to endeavor upon preemptive change. At this point, the strength of works such as this is their ability to take a long view on how television advertising developed and to seek insight about this coming era from its attempts to negotiate change up to this point.

U.S. Television's Varied Economic Models

Before examining the nuances of past and present national network television advertising, we need to tease apart the many different economic models that now support television. Though viewers may experience a wide array of content simply as television, the different economic models underpinning its creation have significant impact on the content that appears on the screen. Chapter 3 explores the economic relationships between the studios that make content and the distributors—networks and channels—that deliver it to audiences. Here, I examine the variation among the economic models that connect audiences and distributors and explain why those differences matter.

At the dawn of the post-network era, most U.S. television could be categorized as advertiser-supported, subscriber-supported, or a combination of these. Even broadcast networks began relying less on advertiser support, as they began receiving significant retransmission fees from cable systems beginning in the early 2000s. A 2012 financial analyst report estimated that CBS would collect $1 billion each year from distribution fees paid by MVPDs for retransmission by 2016. The entirety of the fees negotiated between owned-and-operated stations and their MVPDs would go to CBS, but the national network would also receive 50 percent of the fees non-owned affiliates negotiated.[10] Entities such as HBO and Showtime earned revenue exclusively through subscriptions. Importantly, though viewers typically paid $15–$20 per month for these services, the channel received only about half of these fees, with the other half going to the MVPDs who market the service and handle billing. Finally, so-called basic (nonsubscription) cable channels utilized a hybrid of these models, earning revenue both from advertising and from fees paid by MVPDs to include the channel in their bundle. The per household, per month fees paid by MVPDs varied widely: some new channels might receive no carriage fee; most received between \$.20 and \$.50, while those with a lot of original scripted programming such as TNT or USA earned around \$1.00, and exclusive sports channels could charge upward of \$7.00.[11] In total, MVPDs paid \$30 billion in these fees in 2011, fees largely passed on to their subscribers.[12]

Though the post-network era remains preliminary, one economic model particular to this era is the direct-pay or transactional model. In this economic model, which modifies some of the features of the subscriber-supported model, the viewer pays for a specific piece of content. This might be a single episode—as first made possible through iTunes in 2005—or a full season of episodes downloaded or purchased on DVD. When I wrote the first edition of the book, direct pay seemed best understood as an expansion of the varied syndication windows that have long helped studios earn back production deficits. In other words, direct pay didn't initially create a new route for the creation of content, but a new way to earn revenue on content originally produced for a network or channel. The subsequent developments in original content creation by niche distributors such as Netflix and DirecTV and funding experiments such as Kickstarter, however, now suggest that this conception of direct pay as merely a secondary revenue stream imposes residual assumptions on television economics that place undue primacy on linear distribution. In theorizing the role of direct pay in this still-nascent moment of post-network norms, we must imagine the possibility of creating content primarily for a direct-pay market, though these efforts are still most preliminary.

Though video distributed online may seem fundamentally differently from the established television distribution norms of broadcast and cable television, leading online video aggregators such as Hulu and YouTube rely upon the same advertiser-supported economic model long used by broadcast networks, while the hybrid advertiser/subscriber model of Hulu Plus and some YouTube channels mirrors the dual-revenue model of basic cable. YouTube's model has evolved constantly; as of this writing, YouTube primarily relied on an advertiser-supported business model, but had begun experimenting with subscription fees for some of its "channels." Its per-user rates (CPM—cost per exposure to 1,000 viewers, often of a specified demographic group) were generally higher than television, because it was able to offer advertisers a way to reach light television viewers that was cheaper than the buys on broadcast or cable.[13] Advertising revenues were shared with the content creators, with YouTube retaining 45 percent—a slightly higher than typical distribution fee—about which some creators expressed discontent; though other analysis reported that YouTube retains as much as 70 percent

of advertising on its premium channels.[14] It also featured a lighter commercial load, which was attractive to advertisers and viewers.

YouTube's share of video advertising remains small, estimated at \$4 billion in 2012, compared to \$60 billion spent on U.S. television advertising, and of that, approximately 12.5 percent was attributable to ads in premium content (its supported channels) and the rest from advertisements in user-generated content.[15] Financial analysis by Needham in 2013 estimated that YouTube had spent \$350 million creating premium channels in the previous two years, money spent on "grants" of \$1 million to \$5 million per channel that functioned much like an advance against royalties. In the midst of writing, YouTube announced a subscriber component and plans for a pilot program of fifty subscription channels that will charge on average \$2.99 per month and would feature a slightly higher share of revenue to the content producers.[16] Needham reports that YouTube "did not renew approximately 60 percent of the channels they funded in 2012, and renewed no channel which targeted audiences over 25 years old," which, paired with the subscription experiment, suggests that though YouTube is the dominant global online video platform, its business strategy and model are far from permanent.[17] Hulu had been experimenting with the option of subscription-level access since November 2010 and amassed four million subscribers.[18] Yet, though subscriptions and advertising revenue earned \$700 million in 2012, Needham notes that Hulu had not earned a profit.[19]

These matters of how distributors earn revenues are important to understanding the programming decisions they make and how some strategies are viable for some models, but not others. The next section discusses the nuances of advertiser-supported models in great extent. But though advertiser support and subscriber support are both methods for funding television, they really are fundamentally different businesses. In many cases, the differing financial models of subscription and basic cable have enabled the profitable production of series with new ideas or a capacity to speak to particular demographic groups. Whether one focuses on the edgy content of FX's dramas or on character-driven shows such as HBO's *Boardwalk Empire* or Showtime's *Dexter*, it is clear that though passion for these shows was high among a subset of the mass audience, this audience was not large enough for broadcasters to profitably produce such series. By 2005, successful subscription cable, basic cable, and prime-time broadcast series exhibited clear distinctions that marked them as characteristic of their distribution outlet. Though broadcasters incorporated some of cable's norms—such as the thirteen-episode season—this was still uncommon. Broadcasters tried to replicate *Mad Men*'s period drama (*Pan Am*, *Playboy Club*, *Vegas*), but most efforts at trying to make a mass hit of a niche cable phenomenon have failed dismally enough to keep broadcasters replicating the broad-based legal, medical, and detective franchises that have long proven successful. Even more remarkably, online distribution enabled an "indie" television sector to emerge that told stories more different yet from the network-era broadcast fare.

The business model of subscription services mandates that they provide programming of such distinction—whether by measures of quality or value of niche address—that viewers are willing to pay directly for the content, thereby negating the need for advertiser support. Cable networks have consequently sought to develop programming that establishes their narrowly focused brands and allows them to deliver high indexes of particular demographic and psychographic groups of consumers. By contrast, broadcasters' businesses rely predominantly on advertising revenue, so their ability to earn more money depends upon delivering larger audiences. This aspect of their economic model prevented broadcasters from adopting a competitive strategy of addressing audiences that were too narrow.

Another economic dynamic plays out between the subscription fees that allow viewers access to a range of programming and the direct-pay model of buying particular series. The subscription service seeks to offer enough value to maintain subscribers. HBO does this by offering a variety of distinctive programming otherwise unavailable—it offers uninterrupted theatricals, a rich array of documentaries, original series that target diverse audience tastes (*Girls* versus *Boardwalk Empire*), sports competitions (boxing), and commentary unavailable elsewhere, and current events shows with a distinctive sensibility (*Real Time with Bill Maher*). Just as HBO began as a distributor of theatricals, Netflix offers a more recent illustration of the subscription strategy as it has evolved to offer back catalog television content that makes up much of cable channels' schedules, a library of films, and now original content as well. Before MVPDs developed their VOD libraries and increased license fees required Netflix to increase its subscription price, it provided a strong value proposition. Once MVPDs made similar offerings available as part of top subscription tiers, the value of adding on this service was less clear—necessitating Netflix's move into original production, to again distinguish its value proposition.

Digital distribution has created new choices for viewers in terms of how they buy subscription content. Viewers can choose either the full subscription or pay directly and buy each show on DVD or through a digital retailer such as iTunes or Amazon. Viewers choose the per-show proposition when the subscription bundle provides inadequate value—typically because it

bundles much unwanted material and the desired content is more affordable if purchased à la carte. Lack of immediacy is also a "cost" to viewers who opt for the transaction purchase, as they often have to wait a few months to access content in this way; but as television becomes more nonlinear and audiences ever more fragmented, synchronousness seems less a priority. Though the vast press attention to Netflix's *House of Cards* release may have piqued the interest of nonsubscribers about this show, the value of immediate access didn't prove much of a motivator as Netflix did not experience a notable subscription increase to access the show. Many likely expected that the content would be freed of Netflix exclusivity; indeed, the presale on Amazon noting DVD availability six months after the original release assured many that the wait would not be too long. It also should be noted that industry practices such as exclusivity and time-delayed windows also encouraged interested viewers to seek unauthorized access to content. As explored in chapter 4's discussion of the "Take My Money HBO" campaign, viewers were not solely motivated toward unauthorized access by the costs of content, but by being forced to pay for a broader package of undesired goods. By 2014, the cost of purchasing full series on DVD or through download has kept most HBO and Showtime subscribers paying for the service, but those who desire only one or two series from these outlets might forgo the subscription and wait for the series' transaction release. Also, HBO's strategy of not licensing its content to other non-transaction entities—such as Netflix—provides further motivation for viewers to subscribe, though its recent deal with Amazon may suggest a change to this strategy.

As we think about the economic models that support U.S. television, it is important not to afford advertising-supported television a superior status simply because it emerged first. There are several valuable features of the advertiser-supported system, but many of those correlate with the broader network-era norms of the medium. The creative advancement of the medium that has occurred outside this economic model informs debates about the artistic limitations and possibilities of the medium. It may be that what were long held to be the limits of television were simply the limits of advertiser-supported television; and it may also be that advertiser-supported television simply needed some competition. Though accounting for the economic model that supports the production and distribution of particular television content is crucial to assessing shows relative to others, it also seems foolhardy to uniformly advocate any one model of financing: each has strengths and limitations of varying significance relative to one's priorities.

In the network era, a common financial model made assessing television much easier than the case now. As argued throughout the book, the expanded variation in industrial norms across industrial practices necessitates nuanced discussions of the medium's output and greater attention to features such as those that allow distinctions among prized content, live sports and events, and linear viewing. Subscription and direct pay are particularly valuable for prized content and perhaps some live sports. Despite the notable importance of both these forms of television, linear viewing remains the residual norm, and this experience has long been adequate for advertiser support.

Advertising Practices during the Network Era and the Multi-Channel Transition

The norms of radio determined the commercial basis of the U.S. broadcasting system while television was still just an imagined technology in the hopes of inventors. As a result, many of the key debates about and experiments with possibilities for financing broadcasting were established before television functionally existed. In television's early years, however, the inherent differences between the two media required some adjustment of practices inherited from radio. Primarily, the cost of television production relative to radio introduced complications to the established system of commercial funding.

The dominant commercial model of radio utilized a single-sponsorship system in which a corporation paid all of the production costs of a show and was the only product or corporate entity associated with it. While initially this system carried over to television, it soon became apparent that a single sponsor could not feasibly pay for the many facets of visual production on a continuing basis. Some genres with lower production costs, such as game shows, still enabled single sponsorship, although that contributed to other difficulties, as became apparent in the quiz show scandals of the late 1950s, when it was revealed that advertisers rigged the shows to support popular contestants and used other disingenuous strategies to maintain viewers. Reaction to these scandals, as well as the networks' desire to control their schedules, further contributed to the development of a new advertising model using a "participation" or "magazine" format; the latter term refers to the way television shows came to be supported in the same way as magazines, with advertisements for many different products mixed in with the programming.

By contrast, the sponsorship system of the 1940s and 1950s afforded advertising agencies and their clients considerable command over program content and even networks' schedules.[20] From the beginning of television, the networks objected to this arrangement, but they could not institute an alternative quickly enough to prevent it from migrating to the new medium in the early 1950s.[21] As they discerned that a deliberate and strategic schedule

was as important as the quality of the programming placed in that schedule, the networks became eager to displace advertising agencies' centrality in program development and to gain control over their schedule—which included ending the norm of "time franchises" that allowed agencies to control specific slots in the networks' schedules. William Boddy's research recounts clear evidence of network pressure to end single sponsorship by the mid-1950s, although multiple-sponsor shows did not become dominant until 1962–1963, when 55 percent of the ninety-four shows on the air used this commercial format.[22]

The shift away from single sponsorship increased a network's control of its programming content and schedule and diminished the sponsor's role in both. Advertisers became less invested in specific content issues once they became one of many companies with commercial messages in a program. As networks assumed authority over their schedules and show selection, the change also had advantages for advertisers, including spreading their risk across a number of shows each week, while still providing agencies with substantial revenue opportunities.

Participation provided a far more beneficial advertising system for all involved, except perhaps the viewers. Although it responded to the problem of the cost of producing television, which was substantially higher than that of radio, a number of other forces contributed to the transition. As Boddy notes, shifting corporate strategies regarding the nature of television advertising messages and the type of corporation likely to advertise occurred concurrently with the move away from sponsorship.[23] Whereas large manufacturing corporations had dominated sponsorship and used this as an opportunity to promote their corporate image, they themselves began to rethink this "corporate angle" or "company voice" strategy at the same time that networks started to want to have a broader blend of advertisers less likely to be uniformly affected by periods of recession.[24] Increasingly, television became a medium more desired by packaged-goods companies that used advertisements to explicitly sell the attributes of a product or to sell the lifestyle they wanted consumers to attribute to the product. Although a large packaged-goods advertiser such as Proctor & Gamble could easily afford sponsorship, such an arrangement, which privileged the P&G name, would not provide name recognition for the substantial variety of products it sought to promote, such as Tide, Crest, and Palmolive.

The networks' identification of the competitive importance of schedule control enabled the establishment of many network-era norms, including the creation of programming that rendered television more than a haphazard assortment of disconnected programs. The motivation of sponsoring programs to further a certain corporate image or angle led to the production of a different type of programming than characteristic of most of the network era. Single sponsorship encouraged distinctive programming that expressed prestige. However, this too began to change as the networks began to seek out much cheaper programming, such as the kind Christopher Anderson examines in his study of Warner Bros. film studios' efforts to produce for television.[25] The studios mainly wanted to monetize old background footage and more efficiently use their back lots, and hoped to do so by recycling old and promotional content as television programming. The shift from sponsorship to participation also contributed to the networks' pursuit of profit participation (discussed in chapter 3), which made the environment difficult for independent producers and resulted in the fin-syn regulations. A weak program aesthetic dominated much of the 1960s, as the FCC chairman Newton Minow noted at the time and television historians have since affirmed. This programming resulted from characteristics of production practices of the era that overemphasized cost saving and led the networks to pursue only modest programming achievement.[26]

Various norms of the "television season" and the timing for selling advertising time developed once magazine-format advertising established its dominance. The annual September debut of programs led to the related annual process of securing advertising commitments in the spring, in what came to be known as the "upfront" market. During this period, which once lasted eight weeks but may now span only a week or two, broadcast networks sell 75 to 90 percent of the advertising time in the upcoming season on tentative, but fairly reliable commitments.[27] Networks sell the remaining advertising inventory throughout the year in the "scatter" and "opportunistic" markets. The upfront market is advantageous for networks because it affords them committed advertising spending before they begin producing programming. In exchange for the reduction of risk, the networks offer "discounted" rates on advertising purchased upfront. The upfront functions as a speculative market, as later scatter prices may be significantly higher depending on advertising demand.[28] Most advertisers purchase time upfront because the limited supply of programming in certain programs and on particular networks makes some buys available only during the upfront and because the networks came to offer guarantees on upfront purchases. The later scarcity traditionally has led to scatter rates that average roughly 15 percent higher.[29]

The upfront process generally benefits the networks, although they have developed some practices in response to advertisers' more substantial concerns about the uncertainty and potential inequity of the process. The networks decreased the uncertainty of the upfront purchase—a key concern for advertisers—and received higher rates in return when they initiated "guarantees" beginning in 1967.[30] Under this arrangement networks began guaranteeing a certain audience size for the advertisers' purchase and providing "make-goods" or supplementary advertising slots if they failed to achieve the guaranteed audience reach with the initial purchase. According to the veteran media buyer Erwin Ephron, this led to a shift from advertisers buying specific shows to their purchasing CPMs, an acronym for cost per thousand, or cost for one exposure to one thousand viewers of a certain demographic type. The CPM became a standard industry currency in national sales, which operates as follows: if an advertiser wishes to reach fifty million viewers and had established a CPM of $15, or $15 per thousand viewers, a network would put together a package of advertisements that would reach the fifty million viewers for $750,000.[31] Networks usually guarantee audience delivery only if advertisers purchase CPMs in the upfront. The networks benefit from this method of purchase because they distribute advertiser support between both popular and less established programs.[32]

The dominance of the upfront as the means by which advertisers allocate their spending is important because this in turn affects network practices. If networks sold individual commercials instead of the exposure to a certain number of viewers spread across multiple programs, they would likely make different programming decisions. The upfront allows the networks to package their new or weaker shows with their established hits, a practice not entirely dissimilar from the film industry's practice of block booking, in which studios required theaters to show lower-budget films in order to get the high-profile films they most desired. Although advertisements in hit shows might command even higher prices if sold individually, this would weaken the networks' ability to nurture new shows and could further discourage the pursuit of unconventional stories or formats.

The process of upfront selling garnered significant critique and debate from its inception, but regardless of perennial declarations of its death, and despite the substantial adjustments in other production components throughout the multi-channel transition, the practice has proven remarkably resilient. Paradoxically, the hold of the upfront only grew stronger as competitors for broadcast television's advertising dollars emerged. First, cable channels began holding their own "upfront" presentations ahead of the broadcasters each year in the early spring. Then, in 2012, the Interactive Advertising Bureau began a "Digital Content NewFront" at the end of April to pitch advertising opportunities on Hulu, Yahoo!, Google, and the interactive divisions of conglomerates such as Disney and CBS.

Major shifts in advertising and the economic support of television more broadly began early in the multi-channel transition and then shifted again at the beginning of the post-network era. The arrival of subscription-financed television marked the first major rupture from the network-era model of monolithic advertiser support through thirty-second ads. It required two decades for the subscription network HBO to produce a successful "television series," but the subscription experience prepared viewers for the pay-per-transaction distribution opportunities that subsequently became available through outlets such as iTunes as well for nonlinear subscription experiences such as Netflix. Subscription television also established a content creation environment very different from the one that pervaded advertiser-supported content. The financial mandate of drawing and maintaining subscribers led subscription networks to create programming of such distinction that viewers were willing to pay for it—if not in subscription, then perhaps in the various subsequent markets such as DVD sales or streaming transactions.[33] Again, the question of who pays for programming and through what financial model has substantial effects throughout the production process.

Challenges for Advertising at the Beginning of the Post-Network Era

The first decade of the twenty-first century featured an uncommon variety of advertising experiments. Advertisers long had reason to explore alternative television advertising strategies, but risk aversion prevented the allocation of substantial funds to methods other than the legacy model of the thirty-second advertisement. DVR diffusion and audience dispersal helped push advertisers to the tipping point, but there were other important factors at work. Crises resulting from fragmenting audiences, rising production costs, and commercial-skipping behaviors enabled by control technologies compounded until advertisers could no longer rely on the presence of an audience during commercials. Consequently, they began experimenting with product placement and integration, branded entertainment, and sponsorship, while continuing to support the thirty-second commercial. Calls for the end of the upfront system continued, yet remained unheeded despite the sizable adjustments in nearly every other industrial practice. The only real threat to this buying practice emerged once advertisers began shifting money out of thirty-second advertisements because strategies such as placement and sponsorship could not be developed and sold in this way. Many worried about the consequence of advertisers moving spending to the Internet, but even by 2012, advertising in online video amounted to only $2.89 billion, in comparison with $64.54 billion in U.S. television advertising spending.[34] By 2014, online video advertisements continued to struggle because the industry lacked a stable reporting structure.

Internet advertising derived its early norms from print rather than television, and video ad buyers were less interested in data about monthly views than a structure more similar to television. Buyers also lacked the assurance they had in television that web publishers placed ads in the intended content and that reported views were real and not "bots." A 2014 report from the Interactive Advertising Bureau estimated that about 36 percent of web traffic that advertisers pay for as views results from computers with viruses programmed to visit sites to inflate traffic figures.[35] Certainly, none of these problems were insurmountable—they just explain the slow shift to online advertising despite the increasingly robust ability to deliver broadband video content by 2014.

Advertisers also made greater demands for accountability and return on investment information as they faced a variety of new platforms on which they could reach consumers. Agencies dealt with clients who made increasingly contradictory demands as advances in marketing research and new media venues allowed the more creative and precise messaging that clients' marketing divisions prized, while their procurement divisions—those who allocate the clients' advertising budget—demanded definitive information that remained elusive about how advertising spending correlated with sales. Advertisers' interest in alternative data—such as measures of viewer loyalty and engagement—indicated the rising disillusionment with continuing network-era advertising practices in a dynamic and cluttered media environment, though contributed little to the general norms of buying television advertisements.

As the post-network era developed, conglomeration affected industry operations in a variety of ways. Although few have explored the conglomeration that has occurred within the advertising industry, this process developed alongside the concentration of media ownership in the content and delivery businesses.[36] By the mid-2000s, four holding companies (Omnicom Group, WPP Group, Interpublic Group, and Publicis Groupe) controlled most of the industry's business, owned forty of the top fifty U.S. agencies, and, in 2005, earned over $31 billion in revenue from their various advertising and media, public relations, marketing communications, and specialty firms.[37] By 2012, that figure had grown to $45.02 billion, and the industry consolidated further in 2013 with a merger of Publicis and Omnicom.[38] Since the consolidation, some agencies have unbundled different components and created separate independent media departments. As part of the trend toward "communications planning," agencies have eliminated segmentation by media, or the use of separate teams for television, magazine, and point-of-purchase, and instead combined all media for more integrated planning.[39] More recently, agencies have created product placement and branded entertainment divisions particularly charged to develop ideas for clients and networks and to expand these growing practices.[40]

By the early 2000s, advertising agencies provided a range of services, including creative development, strategic planning, media buying and planning, and account management. Sometimes a single agency supplies a client with all four types of service, while in other cases the work might be spread throughout different arms of consolidated holding companies or among entirely different companies.[41] The creative staff develops advertisements and the content of point-of-purchase or other brand communication within the mandate of a carefully researched and tested brand strategy that is typically developed by the strategic planning staff, which researches consumer behaviors and attitudes about the product. Media planners develop strategies for reaching particular consumers through targeted media buys—often across multiple media—and media buyers negotiate the purchase with the networks. Television buyers develop and purchase the best plan in the upfront and scatter markets and then monitor those buys throughout the year, tracking make-goods and overseeing the buys as networks adjust their schedules. As ratings data have grown increasingly sophisticated and the number of networks has expanded, media buyers have collected and sorted through much more information in order to predict likely series performance prior to the upfront to determine the best purchase to reach the client's target consumer. The account management component of the agency deals directly with the advertiser and facilitates communication among the other units, particularly in the increasingly common case that a single agency does not house the media and creative development divisions.

As Jack Myers has noted, even before agencies began creating separate product placement specialists, industrial shifts caused by new media and challenges to the status quo operation of television resulted in a shift of power within agencies from creative divisions to media buying and planning.[42] Such developments repositioned this facet of the industry from what one executive described as an "assembly-line factory" business to one more craft-oriented. He added that the additional "creative" role now common for planning and buying divisions suggested a need for a compensation model based on outcome, which entailed a significant adjustment in the financial underpinnings of the existing, but eroding, norm in which the agency collected a fee based on a percentage of an advertiser's buy.[43]

The conglomeration of the advertising industry has created a complicated environment because a client typically will not allow its agency to represent another company in its competitive sector—for instance, Wendy's will not allow its agency to also house the account for McDonald's, Burger King, Subway, and so on. In addition, the conglomeration of the corporations that support the commercial television industry—such as the purchase of Gillette by Proctor & Gamble or the merger of Sears and Kmart—has also affected the industry, making opportunities for new business for agencies increasingly limited and decreasing the clients available to agencies as the merged companies integrate their advertising.

Increased cost efficiencies have been a key outcome of the consolidation of all disciplines of advertising into a handful of holding groups, and the agencies also benefit from the expanded information about the health of the market they gain from aggregating so many clients within one holding company. This bottom-line, tight fiscal management has become apparent in the broader U.S. economic environment in this period as well, as market maturity has resulted in few opportunities for expansion and required corporations to manage costs precisely. Accountability to budget and attention to performance measures have come to be tightly observed throughout the economy in general, but these developments have had specific consequences for the particular economies of advertising and a television industry in the midst of substantial redefinition.[44]

Adjustments in the industrial organization and norms of practice in advertising affect television production and network operations in many ways, especially since advertising dollars support much of the industry. These changes in advertising are among the most substantial explored in this book. Unsurprisingly, advertising agencies have been particularly vocal prognosticators of the significance of the changes occurring and have been among those most willing to accept and embrace changes in economic models and technological possibility. This became increasingly necessary as advertisers received decreasing returns on their commercial dollars throughout the multi-channel transition. As a result, they were in a position to adopt and to benefit more from new commercial practices than other areas of the industry—like broadcasters—for which a network-era status quo remained preferable.

Advertisers faced the loss of a mass audience as a result of the steady increase in choice of new networks and leisure devices throughout the multi-channel transition. Expanding viewer control technologies such as DVRs and VOD applications also diminished the viability of decades-old practices, including the thirty-second commercial. But even as these factors provided particular impetus for adjusting norms, they should not be viewed as the only causes of the paradigmatic shifts that began to occur early in the twenty-first century.

Since then, advertising possibilities unimaginable in the 1940s—graphically inserted ads on sports fields and stadium backgrounds, digitally created promotions of products placed in shows produced decades ago, tags added to the bottom of personal correspondence such as e-mails, sponsorship of every substantial cultural event and even component parts—have become routine and, although annoying and disconcerting to many, commonly accepted. The advent of social media has integrated advertising even further into daily life with opportunities to "like" and "friend" various products as well as request a running stream of marketing messages by following a company or product on Twitter or signing up for regular e-mail messages. The increasingly precise data about viewers and their behavior that these technologies provide have offered advertisers and media planners ever clearer pictures of whom they reach and how, while experiences with Internet advertising have provided new models for creating alternatives to legacy practices. Media buyers also choose among a much greater range of media than in the network era, as the Internet in particular introduced a new venue to reach potential consumers in a very targeted and often participatory way. Finally, a significant shift in cultural sentiment toward commercials and commercialism has occurred in the twenty-first century with the unprecedented expansion in the venues in which we tolerate commercial messages. The advertising researcher James Twitchell estimated that even by the mid-1990s, Americans observed three thousand commercial messages each day—a figure that also points to the cluttered nature of the advertising space.[45]

Distinguishing Post-Network Advertising Strategies: Old Methods, New Names

Following the quiz show scandals and the decline of sponsorship arrangements, networks and producers avoided including brand-name goods in television shows during much of the network era. This avoidance helped to prevent conflict among those buying commercials in the show—whether during the original run on broadcast or later in syndication—but it also arose from a sense of social unacceptability, and in some cases, government regulation.[46] Many shows of the network era consequently featured families with kitchens stocked with generic "cola" and "beer." In contrast, the high-profile appearances of the Aston Martin in 1960s James Bond films and, in what many note as the great success story of product placement, Reese's Pieces in *E.T.* illustrate the use of this strategy in film. In television, the practice of including named goods in both scripted and unscripted series reemerged at the end of the multi-channel transition, when it came to involve several distinct forms such as placement, integration, branded entertainment, and sponsorship.[47]

In much 1950s programming, advertisers made no distinction between the practices that we now differentiate as product placement and sponsorship. Reference to the sponsors' goods may or may not have been included in the content of a series, and the titles of series did not consistently name the sponsor. After magazine-style thirty-second advertisements became the norm, the differences between the two became more distinguishable, although trade publications and even the books that have explored the emergence and reemergence of alternative advertising strategies have not been consistent in defining them as I do so in the following sections.[48] I draw on actual practices that developed in the early 2000s and attempt to delimit distinctions through a more precise vocabulary. Importantly, though trade publications might refer to a number of practices as product placement, the financial underpinnings of these deals vary significantly.

Placement

Product or brand "placement" refers to situations in which television shows use name-brand products or present them on the screen within the context of the show; however, even in this simple advertising strategy there have been significant variations.[49] Placement can be either paid or unpaid, a distinction that highlights how two different aspects of business drove growth in this practice. In the case of unpaid placement, or what Twitchell refers to as "product subventions," companies donate products needed on the set for reasons of verisimilitude—if a scene takes place in the kitchen, that set needs to be dressed with products that make it recognizable as a kitchen.[50] Set dressers developed relationships with the prop companies that supplied them with their needs during the multi-channel transition, and many of these prop companies moved into the product placement business as they found manufacturers willing to donate the needed product in exchange for making the brand name apparent.[51] In contrast, paid product placement commonly originates in a deal created by an entity representing the advertiser and developed through negotiations with a network or studio. These deals could involve arrangements to feature a sponsor's product or name across the network or a night of programming, but most often they focused on a particular episode or show. In some cases, these deals evolved as part of "added value" to a purchase of commercial time: instead of sponsors paying a fee specifically for it, the network supplied the placement in return for another transaction. A network might offer "added value" opportunities in exchange for an advertiser increasing its annual upfront spending or just in recognition of a regular large spending commitment to the network.

In addition to paid and unpaid placement, there is another level of distinction that I term "basic" versus "advanced" placement. In the case of basic placement, set dressings make the logo or brand of products clearly apparent, but the narrative or dialogue does not call attention to the product or brand. In contrast, an advanced use of placement mentions the product or good by name. In an episode of the NBC comedy *Scrubs*, for example, the doctors played the game Operation, while in *The Office*, restaurants such as Chili's and Benihana were used for staff lunches and parties, and not simply as identifiable settings: significantly, the restaurants are explicitly named and discussed on the show.[52] Subway also has used this strategy extensively with shows such as *Chuck* and *Hawaii 5-0*.

To be sure, such distinctions are not ironclad, and there is not necessarily a correlation between whether basic and advanced placements are paid or unpaid. Thus, it may be difficult to determine the point at which a placement might be considered advanced or precisely when placement becomes integration (see below). Furthermore, in some cases placement can result from an advertiser's sponsorship of a show, which in turn can also create variations in the practice. For example, Coca-Cola and Ford used both placement and sponsorship in their support of the FOX talent-competition show *American Idol*. Large cups of Coca-Cola sat in front of each of the three judges, and the couch shared by the competitors featured the trademark swirl of the company's logo, but it was this subtle placement in tandem with the video shot in the "Coca-Cola Red Room" that particularly highlighted the brand relative to the program. No contestants requested a sip of Coke before going on stage in a manner more characteristic of advanced placement, but Coke's presence on the show seemed more than that of basic placement because of the blending of placement and sponsorship. Identifying these kinds of variations allows for more precise analysis of the increasing range of advertiser participation in programming.

Though many examples of paid, unpaid, basic, and advanced placement appeared across the networks throughout the early twenty-first century, these techniques mostly supplemented rather than replaced thirty-second advertisements. PQ Media reported that advertisers spent $2.83 billion on U.S. television integrations in 2011, which was an 11 percent increase, mostly due to growth in genres such as unscripted reality, how-to, scripted comedy, and telenovelas.[53] Among them, basic placement has become an especially common practice, although little is known about effectiveness and advertisers continue to work at developing "best practices." By the end of the network era, advertisers and social scientists both had expansive research about how to maximize recall and effectiveness of thirty-second advertisements, but less data existed to explain the need for recall in placement situations or to otherwise evaluate the efficiency and outcome of placement strategies.[54]

Regardless of whether an advertiser seeks a basic or advanced placement, the key attribute repeated by advertisers, production executives, and networks regarding the viability of placement is that the product must be "organic," meaning the product must not seem out of place, be too obviously a commercial message, or call too much attention to itself. For example, placement of a cereal might "organically" fit in a breakfast scene of a domestic sitcom, though having the characters discuss their home insurance might not. Of course, all of the things that make placement organic also make it less noticeable to audiences accustomed to encountering thousands of brand messages every day. By contrast, an "inorganic" placement calls attention to itself in a negative way and seems forced and awkward. Inorganic placement exposes the constructed nature of placement but also breaks the viewer's submersion in the narrative, and different viewers likely have different thresholds and responses.[55]

New digital technologies also allow advertisers to rewrite the television past as companies such as Princeton Video place contemporary products and brands into existing series. Products can be placed in the kitchen settings of old situation comedies using the same technology that imposes the first-down line on television broadcasts of football games or brand logos onto the field of soccer matches.[56] The capability of adding and deleting products provides an important level of control, given the sometimes unanticipated subsequent markets for television series.[57] Likewise, this capability provides a response to concerns about placement deals for original-run programming. Many have wondered what happens to the good in subsequent markets and how its presence could produce additional revenue. Digital technologies enable studios to create new placement revenues in syndication by reselling the placement opportunity in these secondary markets.

The particularly noteworthy aspect of placement is the speed with which it became a common practice. Although articles in trade press and panels at industry meetings were exploring the strategy by the mid-2000s, the topic—as related to television—was largely absent from industry discourse until 2001.[58] Despite the seeming omnipresence of placement by the end of 2005, this advertising strategy is a new tool in advertisers' arsenal that is beneficial because viewers can't skip over it, yet it is best used only in particular genres and instances. Placement has nonetheless reemerged as a strategy that advertisers are willing to pursue, and there is little evidence that the trend will diminish.

Integration

Product or brand "integration" is an additional category of advertiser support in the post-network commercial economy. In cases of integration, the product or company name becomes part of the show in such a way that it contributes to the narrative and creates an environment of brand awareness beyond that produced by advanced placement. Because of their generic attributes, unscripted series have been more successful in integrating products than scripted series. For example, beginning in its second season *The Apprentice* challenged contestants to develop an advertising campaign or a similar activity for a known and real product. Thus, the series utilized the organic marketing potential that it effectively wasted during the first season's use of unbranded activities such as selling lemonade. In addition to selling commercial time within the series, *The Apprentice*'s producers added millions to their budget by selling advertisers the opportunity to be featured within the storyline of the show.[59]

The development of both placement and integration has thus provided unscripted series with important financing, especially in view of the escalation of production costs arising from competition in the form. According to conventional industry wisdom, most unscripted shows have little potential to recoup production deficits through syndication and consequently require producers to fully fund production through license fees or placement. Integration and placement revenues enable shows to afford impressive concepts or hire the limited skilled editing and production talent in this area of the industry, despite lower license fees and lack of deficit financing. Organic integration is unquestionably easier to achieve in unscripted formats, but notable examples of integration in soap operas and scripted series exist as well.

Industrial discussions of the growing practice of integration have focused on creative workers' fears that they could be forced to construct storylines to include brands. Such fears are justified, although to date, both the advertising and network sides of the business generally have shown restraint, aware that producing bad television diminishes the reputation of all involved. Still, some producers have accepted placement as a necessary compromise that can expand budgets in valuable ways. Peter Berg, executive producer of *Friday Night Lights*, acknowledged that "anything that gives a little financial relief, you can't ignore . . . it's all about giving them [the network] what they need in a way that doesn't violate the integrity or offend the audience."[60] His show frequently set meals at Applebee's, among other placements, and featured football players wearing Under Armour, and the extra revenue from placements allowed the series to renovate the dilapidated Texas stadium in which it filmed. Yet the challenge of successfully negotiating advertiser desires and the sensibility of savvy audiences makes it likely that integration will remain a tool of unscripted programming that coexists with conventionally supported scripted shows.

Branded Entertainment

"Branded entertainment" is a third advertising strategy that has grown increasingly commonplace from the beginning of the post-network era.[61] In this case, the advertiser creates the content of the show, which then itself serves as a promotional vehicle—somewhat akin to a long-form commercial or infomercial. Branded entertainment shifts more toward a sponsorship model and has taken a number of forms. *The Victoria's Secret Fashion Show*, aired by ABC in 2001 and in subsequent years by CBS, provides one example. The "entertainment" of the hour-long show served the promotional function of revealing the attributes of Victoria's Secret lingerie.[62] Here, the financial model featured ABC and Intimate Brands splitting the advertising time in the hour, and Intimate Brands paying for production fees—estimated at $9–10 million by the time the show aired on CBS—so that the event had no cost for the network.[63] Although this deal may make the show appear to be little more than a long advertisement, Andrea Wong, ABC vice president of alternative series and specials, defended the program by noting, "Clearly this is more than an infomercial. You will see Victoria Secret product but also entertainment in the show," which also included popular musical performers.[64]

Branded entertainment in the mid-2000s experimented first with original content and series in which brands created their own movies, series, or specials such as *The Restaurant* (NBC, 2003–2004), *Blow Out* (Bravo, 2004–2006), or the *Victoria's Secret Fashion Show*. But by 2013, little such content continued to be produced. Instead, branded entertainment—which Frances Croke Page, vice president and director of entertainment media at RJ Palmer, defines as "brand messages in the content, rather than being confined to the ad space"—had moved to smaller-scale "entertainment," including things such as slideshows on websites, but also had become widely used by companies with much smaller advertising budgets. The last decade and a half has led to multi-platform advertising and opportunities online and to branding events that also might be supplemented with a conventional advertising buy. Page notes that there are "all kinds of creative things you can do that support what's happening in the advertising." She thinks of the "content space as being able to augment and help complete the story of the brand. Sometimes you have to tell the story from scratch, sometimes you are just adding on to a larger story," with the ultimate goal of leading a consumer who hasn't used the product to think of it in a new way.

Branded entertainment marks a fundamental shift from intrusive advertisements pushed at audiences who are engaged in other content to advertising of such merit or interest that the audience actively seeks it out. Given that branded entertainment involves very different viewer behavior and perception of content than thirty-second magazine-format advertising, the genre may well require a wholly different understanding of the psychological processes involved, as well as new terms for assessing advertising effectiveness. As far as advertisers are concerned, branded entertainment also requires a massive shift in where they commit their money.[65] *Advertising Age*'s Scott Donaton explains that in traditional advertising, the advertiser allocates 90 percent of the budget to distribution—or buying time or space—and 10 percent to content production.[66] To develop content of such interest that audiences seek it out requires that advertisers spend 90 percent on production, leaving only 10 percent for distribution.[67] The emergence of social media as a tool that can push audiences of potential buyers to seek out content allowed advertisers to spend even less on distribution costs, as they could place branded entertainment on a company website and drive viewers to it through social media. In a somewhat paradoxical example, Kmart created a commercial and placed it on YouTube to test the response to its potentially offensive marketing of its online shipping though the attention-grabbing line "I shipped my pants." Social media enabled the quick spread of the advertisement, which led to twelve million viewings of the ad in just a few days. This example is paradoxical because the branded entertainment is really just an ad distributed on YouTube, and the viewer response encouraged the company to then purchase television time for the spot and expand the campaign.[68] The economics of television will likely need to shift more significantly for branded entertainment to become more common on the medium, particularly on broadcast networks and during prime time.

Single Sponsorship

Finally, the long-established practice of single sponsorship has also become more common than it had been since the establishment of the network era. Sponsorship involves a single corporation financing the costs normally recouped by selling advertising time. Sponsored shows often include no in-text commercials, but feature "a word from the sponsor" before or after the show. By the end of the multi-channel transition, sponsorship did not take a uniform pattern, and it may or may not have included product placement or integration in the narrative. In most cases, a company sponsored a single episode rather than an entire series. But even here, episode sponsorship was rare enough that it could create a distinct promotional attribute for the series, as well as providing the sponsor with a comparatively uncluttered environment for its message. Many of the sponsored episodes were for cable series, which involved a lower cost to the corporation than sponsoring a broadcast episode. For example, FX featured "commercial-free" first episodes for each of its original dramas beginning in the summer of 2004, and Ford sponsored the season opener of *24* in 2003 and episodes of *American Dreams* in 2005. Significantly, Ford blended branded entertainment in the *24* sponsorship by wrapping the episode with a six-minute film that began before and concluded after the episode and presented a *24*-like plot that utilized a Ford vehicle. Yet for scripted entertainment, sponsorship remained rare.

The premier example of sponsorship support on television is found in live sports programming. As the rights deals for sporting events have escalated, the broadcast and cable entities that win these license agreements have sought expanded income sources to recoup these costs. Thus it is the case that not only do audiences tune in to sponsored sporting events such as the Discover BCS National Championship (and importantly, here the sponsorship of the event goes not to the television provider but the sports league), but they also see a countless array of paid brand mentions, from the Tostitos Half-Time Report, to the Geico First Quarter Summary, to the awarding of the Allstate Player of the Game, that are arranged by the telecaster. And it is the exposure to the television audience—millions more than those in the stadium alone—that gives value to sporting goods manufacturers' sponsorship of teams and provision of all manner of uniforms and gear. The field of sponsorship messages in televised sports has proliferated so extensively because sporting events persist as a rare form of programming that draws broad audiences who watch in real time and is a type of content that can include an array of sponsored messages within the entertainment content.

Importantly, sponsorship situations in which the advertiser chooses not to disrupt the show for brand messages allow for the creation of narratives of some distinction—as possible with subscription-supported television. Magazine-format advertising requires story construction that can be interrupted, and the practicalities of maintaining audiences require writers to manufacture plots with points of climax before the prescribed commercial breaks. Sponsorship, by contrast, can eliminate the need for such interventions. As Tom Fontana, writer and executive producer of many series, including *Homicide*, *Oz*, and *The Borgias*, explains, "When you don't have to bring people back from a commercial, you don't have to manufacture an 'out.' You can make your episode at a length and with a rhythm that's true to the story you want to tell."[69] Many identified the freedom from content restriction and advertiser meddling as key causes of subscription cable networks' success in garnering a lion's share of accolades for the quality and aesthetic form of their series. Such institutional factors are significant, but the freedom from the tired narrative structures that require plot climaxes before commercial breaks also contributed fundamentally to their distinction. No scripted series has yet been produced with a regular sponsor, but such an opportunity could yield dynamic possibilities for storytelling unavailable to writers constrained by the narrative plotting required by commercial pods.

The renewed use of placement, integration, sponsorship, and branded entertainment has affected advertising companies and the networks in various ways. For one thing, agencies have redeveloped in-house divisions focused on creating integrated deals for branded entertainment beyond the standard thirty-second advertisement. The advantage of locating such divisions inside conventional advertising agencies is that it provides coherence with other ongoing strategies and also creates more continuity in the relationships between clients and their agencies. Another effect has more to do with technique and style. Many in the agencies quickly identified the need to integrate and place products in such a way as to not repel consumers, and worked to scale back the commercial messaging requested by overly eager clients. In 2003, when Frances Page was principal, strategy and business affairs for MAGNA Global Entertainment, she argued that the best uses of integration and placement include subtle penetration into the entertainment narrative, but also noted the need to utilize other public relations venues to maximize the exposure of the placement.[70] In 2013, she noted even further integration between the traditional task of public relations agencies, advertising, and media buying, which fits well with the "360-degree communications planning" that the consolidated holding companies seek to provide.

For example, in 2004 Tylenol constructed a placement deal with CBS's *Survivor* in which viewers voted for the *Survivor* contestant who exemplified the Tylenol "Push through the Pain" ethic and had an opportunity to enter a sweepstakes that awarded a trip to the *Survivor* location. The process of voting sent viewers to a Tylenol website where they registered for the sweepstakes. In addition to creating the website, Tylenol's agency purchased advertisements in *USA Today*, in magazines (co-branded with the *Survivor* logo), and on radio encouraging viewers to watch *Survivor* and join the sweepstakes. The campaign included in-store promotional displays, commercials in each *Survivor* episode, and a thirty-second vignette at the end of the episode in which the series' announcer revealed the winner of the previous week's vote. In this campaign, then, not only did the product fit "organically" in the show, but also the client spent extensively in other media to support the value that could accrue from the integration deal. Ideally, a well-deployed promotion garners free publicity as well. By 2010, advertisers had social media tools available to gather the kinds of information that sweepstakes entries had previously been valuable for and also provided yet additional ways to reach potential consumers.

New challenges have emerged as these advertising strategies become more central to the industry. Key concerns include establishing norms of pricing and standards of measurement, as well as determining the effectiveness of the various strategies. Even as these experiments began, however, much about the value and effectiveness of new advertising strategies remained uncertain. Substantial change in advertising practices was deterred by advertising clients unwilling or unable to pursue new strategies without proof of their value, while networks and agencies could not offer such certainty without clients willing to engage in the trial and error of initial experiments. Frances Page suggested that in the transitional environment of 2005, clients might place 70 percent of their budget in established and traditional media, 20 percent in more unconventional but still tested media, and allow 10 percent to boldly experiment with new venues and possibilities, though the ability to experiment with even 10 percent was limited to the largest advertisers. The broad economic crisis that disrupted practices a few years later led to scaled-back advertising budgets across the board, and money for experiments was often the first to disappear. This informal 70/20/10 rule indicates the pace of change at which wary clients will finance alternatives to legacy models, particularly when little data exist to indicate the effectiveness of their efforts.

At the same time that the industry has been attempting new strategies in response to the changing technological and economic environment, it has also been pursuing efforts to save or shore up the thirty-second spot. The growth in alternative strategies of advertising should not suggest that any group within the industry sought the elimination of the thirty-second ad. On the contrary, although newly developed control technologies form one of the most substantial threats to it, different groups in the United States and Britain have sought to keep it viable by using emergent technologies. For example, distributors have sought to use set-top and smartphone technology to incentivize viewers to stay with programs through commercials. British Sky Broadcasting satellite service enabled viewers to play along with game show contestants while using interactive features to keep track of the viewer's score. The viewer had to keep the set tuned to that channel for the duration of the program in order for the device to remember the score, which decreased the likelihood of channel changing. Another Sky initiative included the distribution of "loyalty cards" that viewers inserted in their set-top box. The device could monitor the viewer's behavior, and the willingness to stay tuned during commercials yielded rewards for the viewer at area retailers or enabled them to purchase other video content.[71] Significantly, while each of these endeavors offered viewers a service or reward for keeping their sets tuned to channels displaying commercials, none could actually confirm viewership: the messages might have played to empty rooms or to viewers engaged by other media. And these experiments were often fairly content-specific; the reward of playing along with contestants is a motivation specific to game shows. Still, many have seen the introduction of an added-value proposition for the viewer/consumer as a likely trend for the future, especially as new applications and services create new fees.

And despite the radical innovation often perceived of broadband video distributors, most new entrants aspired to network-era fifteen- or thirty-second advertisements as the financial model. Broadband distributors did experiment with the norms for this system—trying shorter commercial pods, less frequent commercial breaks, and more precisely targeted advertisements. In 2012 Hulu announced that it would charge advertisers only for ads that are completely played—its terminology is "viewed"—but that seems impossible to verify, nor could there be certainty that these views were not triggered by bots. Hulu showed more than 1.5 billion video ads in February 2012, which was slightly higher in number than Google's 1.2 billion, but in total time, Hulu offered 650 million minutes in comparison with Google's 119 million.[72] Hulu requires playing of pre-roll advertisements to access video, and reports a 96 percent completion rate. The video-ad serving company Freewheel reported average completion rates closer to 88 percent for long-form content and 54 percent for short clips.[73] A key advantage of broadband-delivered programming was the ability to count only completions, as well as a less cluttered advertising environment and greater demographic precision. But despite the increased certainty about demographic features of audience members and guarantees of completion, the revenue that entities like Hulu and YouTube achieved remains paltry relative to the broader television advertising business.

The early years of the post-network era were spent acculturating audiences with nonlinear experiences and teaching viewers that there were services that could deliver the content they desired. Among the start-up providers, these years featured a sorting out of which companies had the best technology and could build a desirable user experience. By 2014, YouTube and Hulu were certainly dominant, though Hulu's future was constantly in question as sales of the venture were attempted and it remained unclear whether it would hold its value if disconnected from its content-rights–holding owners. Hulu had emerged as an alternative to conventional television and control technologies such as VOD or DVRs. Though both Hulu and YouTube relied on advertiser funding, it was difficult to see them as competitors, except to the degree that any viewer's available time for viewing had constraint. Hulu primarily delivered industry-produced content, while such content was a small component of the YouTube repository. Likely the greatest threat to Hulu would be the assessment by its industry partners that viewers had become accustomed enough with online access that they might more profitably develop proprietary sites that offered the same functionality—which is more or less how the post-network era started.

In 2014 the thirty-second advertisement also was poised as the advertising mechanism that would support VOD. As Michael Bologna, director of emerging communications at WPP PLC's Group M, explains, "VOD was a worthless advertising medium until now," referring to the value added by dynamic ad insertion.[74] The cumbersomeness of VOD advertising—each feed had to be manually uploaded with ads included and could not be changed without re-uploading the entire show—contributed to the slow development of this means of distribution. Further, MVPDs—which tend to be regional—controlled the technology and the initial terms of advertising. This meant that the ad units would need to be sold locally, a more labor-intensive endeavor than national advertising. VOD advertising was still preliminary in 2014, with many norms and practice standards still being worked out. One issue was the C3 advertising currency, which counted views of advertisements only if done within three days of live airing. The audience measurement service Rentrak, which uses set-top box data, reported that 70 percent of advertiser-supported television VOD viewing takes place at least four days after the initial airing—giving it no value in the C3 system.[75] VOD also provided the opportunity for more direct audience targeting than advertisements in linear content, though it was unclear whether the use of thirty-second ads would be restrained enough to maintain a value proposition for viewers who also had other ways of accessing content.

By the mid-2010s, the rapidly changing landscape of television, devices, and audience behaviors made it difficult for advertisers to develop coherent strategies. Different types of advertising messages were more or less suited for the panoply of advertising techniques that seemed to emerge by the day. There would certainly be a place for advertising of all kinds in the post-network era, but the fracturing of audiences—not only across programming but also across ways of accessing it—challenged legacy practices.

In effect, then, none of the many advertising strategies in use by the end of the multi-channel transition replaced the thirty-second advertisement; nor is any likely to become the singular advertising strategy of the post-network era. Instead, the proliferation of strategies at the end of the multi-channel transition suggested that a mix of placement, integration, branded entertainment, sponsorship, and the thirty-second spot will continue to exist in a post-network era in which television encompasses a range of conventional, on-demand, and subscription services.

Cultural Consequences of Post-Network Advertising

At the same time television advertising strategies began to diversify and multiply, a variety of new perspectives in critical thinking about the relationship of culture and consumption emerged. Some scholars construed consumption as an empowering activity expressive of agency. Others, pointing to the construction of the "consumer" in industrialized and postindustrialized countries, questioned the nature of such an identity and whether it could be experienced in meaningful ways.[76] Still others explored issues arising from the increasingly niche quality of contemporary media and looked at the consequences of de-emphasizing mass culture in the advertising of goods.[77] While all register the complexity of consumerism in post-Fordist and postmodernist cultures, the redefinition of television at the beginning of the post-network era poses further challenges for the critical evaluation of emergent advertising strategies. Experimentation with placement and integration in texts that maintain thirty-second advertisements clearly suggests an increasing commercialization of television, but with marketing strategies shifting substantially, their specific cultural effects remain uncertain.

The programming created in service of the industry's commercial goals provides the link between television as a commercial enterprise and television as a social force, and the expansion in strategies used to finance programming affected other production components, just as the shift from sponsorship to magazine-format advertising affected the types of programming supported by those models. My focus here is on the implications of alternative advertising strategies for the creative output of this resolutely commercial medium. Thus, I am specifically concerned with the ways they have affected the transition from mass to niche audience norms, disrupted long-held industry practices, and created new textual possibilities.

Becoming a Niche Medium

Television's transition from broadcasting to narrowcasting has enormous implications for advertising. Narrowcasting enables advertisers to direct their messages to much more specific demographic and psychographic groups, and as a result, design creative messages that are different from those that would be used in broadcast forums. Studies examining advertising in fragmented media spaces have reached disparate conclusions about the sociocultural consequences of this shift. Two of these, quite different in approach, are worth singling out: Joseph Turow's treatment of the historical development of fragmentation across advertising media and the transition from mass to target marketing in various media, and Arlene Dávila's exploration of the creation of a differentiated Hispanic marketing sector.[78] In emphasizing the consequences of fragmentation on dominant white society, Turow finds the "gated communities" of taste and image culture that result to be a particularly negative development for democratic society.[79] Dávila examines the issue from the perspective of Latinos, perhaps the most underrepresented cultural group in U.S. media, and emphasizes the constitutive role of advertising in culture. Instead of viewing Latino-targeted advertising as a means for marginalizing their status in society, she asserts that "the reconstitution of individuals into consumers and populations into markets are central fields of cultural production that reverberate within public understanding of people's place, and hence of their rights and entitlements in a given society."[80] This approach echoes that of Néstor García Canclini, whose work likewise deconstructs the dichotomy between consumers and citizens as an essential aspect of understanding the circulation of culture and capital in a post-Fordist, globalized context.[81]

Many scholars exploring advertising and culture as television transitioned from a mass to niche medium have examined changes in the content of commercial messages. However, advertisements were not the only creative content affected by these adjustments. The transition to niche target marketing bore significant, if subtle, implications for the programming television networks created to collect that audience, as advertisers embraced programs directed to narrower and more specific audiences. Target marketing provides economic support for ways of constructing and viewing television that are emerging in the post-network era, including those that render television a subcultural forum.

Opportunities Arising from the Disruption of the Status Quo

The growing threat to established norms of commercial funding and viewer behavior in the early years of the twenty-first century forced a long-complacent advertising industry to break from conventional practices to a degree absent in the network era and much of the multi-channel transition and created the opportunity to experiment with new strategies, many of which have been chronicled in the preceding pages. Inevitably, some endeavors failed, and though significant change seemed likely in the mid-2000s, by 2014 the exuberance of a decade earlier had nearly died out. Nonetheless, advertisers' support of unconventional programming content and their willingness to explore different strategies to reach audiences have in themselves had an effect on perceptions of what might be possible and viable. Here, too, successful cases create opportunities for programming that is unlikely to be produced under the once-dominant thirty-second advertisement model.

Drawing from the study of organizations and innovation, Turow considers how periods of industrial transition can be linked with the creation of unconventional programming.[82] Such transitional periods, which create "cracks" in established organizational operations, disrupt hegemonic relationships and allow new norms to be established.[83] To be sure, this is not always the case. Those with more power can maintain their status, especially when the hierarchies that privilege them continue to seem natural and a matter of "how it has always been." But the scope of change throughout the production process of commercial television at the beginning of the post-network era has been so substantial that new practices have had to emerge and to do so in a manner that allows an uncommon degree of power redistribution, though mostly among corporate entities.

For example, while the new viability of product placement as an advertising strategy has consequences for programming, it is also shifting power relations behind the scenes. Producers who bring scripts to the networks with advertisers already attached to placement deals not only challenge network sales divisions, but also threaten to usurp their authority and management of advertising dollars. Advertising agencies also gain more control, especially when they develop in-house divisions specifically charged with creating programming into which clients can be integrated. As these new brand integration divisions take on expanded creative roles, previously ancillary jobs such as set dressing also compete for a place in developing shows.

In the post-network environment, advertisers have had the least at stake in continuing to pursue dominant network-era practices, particularly as they steadily came to pay more for less. Frustrated with the status quo and aware of the coming changes resultant from widespread adoption of DVR technologies, advertisers willing to commit part of their budgets to nontraditional strategies pushed the business out of its complacency, but haven't found new norms for television. Advertisers reasserted their status as the economic lifeblood of a commercial media system, but shifts in their behavior enabled significant adjustment throughout many other industrial relationships.

Advantages of Multiple Advertising Strategies

In addition to the experimentation and industrial reconfiguration occurring during the recent period of transition, new opportunities have also arisen with advertisers' and networks' willingness to accept a situation in which multiple advertising strategies coexist. It is too early to know how long this environment will continue or what might ensue, but in the near term, a multiplicity of possible financing models is indeed available, and each model creates more possibilities for variation than could develop in the long-dominant singular system.

To illustrate how the coexistence of multiple advertising strategies might lead to a broader diversity of programming, we might begin by looking at how the differences in programming on broadcast, basic cable, and subscription cable can be linked to their different financing structures. And regardless of economic model, for all the derisive commentary it has garnered, unscripted programming has instigated some valuable innovation in conventional business operations. Since many of these shows incorporate sponsorship or placement fees, they do not require deficit financing. As experiments that originated in unscripted programming come to be repeated in scripted programs, networks are increasingly able to realize value from new and diverse advertising strategies.

Product placement has provided cable networks with additional dollars for production costs that in turn have helped them compete with broadcasters' textual attributes. For cable networks, high-profile programming events have derived value beyond the ratings they achieved. Indeed, by 2005, one breakout-hit series could move a cable network from the tier of relative obscurity to high-profile awareness, as *Trading Spaces* did for TLC, *Queer Eye for the Straight Guy* for Bravo, *The Shield* for FX, and *Mad Men* for AMC. And once a cable network achieves substantial cultural awareness, it is much easier to secure the advertising dollars necessary to maximize its niche status through additional programming, though as the case of TLC now illustrates, cable channels must maintain a subsequent stream of programming to continue their perception of relevance.

Importantly, the highly competitive leisure environment that characterizes twenty-first-century U.S. homes has created a measured negotiation between content and commercialism in television. Here, the situation differs considerably from that of the 1960s. At that time, when television was still the next big thing in home leisure technology, and there were no competitors such as computers, gaming devices, and home video technologies to draw away viewers, these conditions helped enable the resolutely commercial practices of cheap and often uninspired telefilm production of the era. After twenty-five years of audience erosion, broadcast networks were far less cavalier in their attitude toward the audience and recognized that while cheap programming might aid the short-term bottom line, they could not take their viewership for granted.

Conclusion

According to an old advertising industry bromide, the industrialist Lord Leverhulme (or alternately, the department store magnate John Wanamaker) claimed that he knew he wasted half of his advertising budget, he just didn't know which half. The quip acknowledges that advertisers long have been aware of the inefficiency of their promotional endeavors, and yet, history illustrates that they have pursued them nonetheless. The increasing use of product placement and integration, as well as experiments with advertiser-created programming, suggests that the existing model was failing. Advertisers' willingness to devote some of their budgets to strategies other than the thirty-second advertisement indicated the level of crisis they perceived in existing models and the sense that this was not a passing fad, but the beginning of changes that could not be avoided. The early twenty-first-century disruptions to existing television industry norms, the emergence of online means of video distribution, and the quick adoption and abilities of the smartphone—all during a time of general economic crisis and malaise—created a difficult environment for innovation. By 2014, considerable experimentation persisted with little sense of an ultimate rearrangement of norms. Where the online realm was distinguished from "television" as "new media" just a few years ago and "mobile" screens seemed categorically different from domestic sets, these distinctions seem less definitive in 2014, and it instead seems that a more holistic video ecosystem is emerging. Advertisers will follow viewers, but viewer behavior continues to change and take on a greater variety of forms than advertising practices can keep up with. The question, then, is whether there is anything that might make viewers solidify new behaviors more quickly.

Key developments in recent years have been driven by new opportunities in distribution; for example, the experience of Netflix encouraged greater MVPD options, and subscription fatigue encouraged zero-TV homes. Such disruptions will persist, and eventually the forces that allow for the perpetuation of the bundle will be overcome. Or advertisers could start pushing this transition with their dollars. With dynamic ad insertion just becoming widespread as the book goes to press, the space of MVPD VOD is just beginning the negotiation of what advertising experience viewers will find acceptable. In the last year, I found most of the shows I watch on-demand to be delightfully devoid of advertisements, but cases in which VOD fast-forwarding was disabled have become more frequent in recent months and produced a personally unbearable viewing experience that sent me back to my DVR. The "compromise" of such systems might be a lighter advertising load than the linear broadcast and more relevant advertising. But for prized content and for those with leisure dollars, even this might not be an acceptable compromise.

Despite the similarity of current strategies such as placement and sponsorship to those that were dominant before the network era, the renewed use of these methods does not require a return to the power relations that characterized the earlier period. As existing practices eroded, a realignment of power occurred that privileged those best positioned to compete given the composition of the industry at that moment. Advertisers' willingness to explore new financing structures offered an initial salvo to which other players responded. The negotiation of the duties of network sales divisions, advertising agency media divisions, and talent/product placement firms illustrate the degree to which the industry was in flux. Various groups rushed to stake a claim in product placement and integration as the lucrative nature of these practices became evident. Network sales divisions, previously the gatekeepers who determined whose commercial message got on the air and when, saw their role threatened when producers such as the *Survivor* creator Mark Burnett came to networks with programs already integrated with support and financing. Network sales divisions began competing to maintain their status of delivering the golden goose as producers and various agencies attempted to usurp the power afforded to those who control the advertising dollars. Likewise, advertising agencies developed placement specialists, old prop companies morphed into placement contractors, and talent agencies attempted to leverage their existing position in this area of the industry.

Situations such as this represent key moments of crisis when conventional industrial practices and power roles can be challenged. Different workers rarely had the opportunity to redefine their task within the broader production process, as entrenched entities and status quo operations normally prevent change because of the threat of lost power that change poses. As in other sectors of the U.S. television industry, the erosion of norms and practices during the multi-channel transition created a situation in which the dominant processes faltered and created the opportunity for a reallocation of power among entities related to advertising and advertising strategies. Toward the end of the multi-channel transition, such opportunities were particularly important to those whose roles and relative power within the system of production were enhanced or diminished, but these adjustments also affected programming by creating new gatekeepers and allowing for a reallocation of content and audience priorities. The extent to which status quo industrial relationships were disrupted by this environment of innovation should not be underestimated. Where the conventional power relations that had so long stood as barriers to change had come down, fear of being shut out of the newly redefined industry motivated further innovation.

Very little critical scholarship has explored the cultural implications of differences among media that consumers pay for directly versus those that are advertiser-supported, particularly within a single medium. As financing models diversify and coexist, we need a much more comprehensive understanding of the significance of different payment methods to viewers' use and enjoyment of programming. Subscription television—a leading application of the direct-pay model—has defied many foundational assumptions about television's defining attributes. Indeed, it is in some ways more like media such as magazines or even mobile phones than advertiser-supported television, and the video-on-demand environment offers viewers even more opportunities to escape advertising through transactional payment. The availability of such options and patterns of viewer use—what types of viewers

choose to pay for what types of content—are important factors to consider in studying the nature and effects of transactional television.

Exploring the differences between television that audiences are willing to pay for and television supported by some advertising means is but one of many new research areas resulting from developments of the multi-channel transition. Many of these developments require substantial research into viewer uses, behaviors, and preferences. They also give rise to many questions about the consequences of the erosion of mass audience advertising opportunities, the social implications of narrowly targeted advertising, and the effects of expansion in placement and branding on consumption. The continued process of transition allows only for conjecture about how the erosion of mass media affects Fordist models of consumption. It is also too soon to know the full range of textual consequences that results from eliminating the thirty-second advertisement norm and the social ramifications of narrowly defining consumer groups not only in programming, but in advertising as well. What we do know is that changes in program financing and in assumptions about the audience scale necessary for commercial viability have played key roles in determining the kind of programming that can be produced.

The diversity in advertising practices that emerged at the beginning of the twenty-first century indicates the extensive changes the television industry was undergoing. While network-era advertising practices had provided advertisers with decreasing returns for a long time, the continued supply of capital from this sector discouraged change. Advertisers' willingness to finance experiments with different advertising strategies was the first domino to fall in the chain of events advancing transformation, and it influenced many subsequent aspects of production and financing. Different advertising strategies led to different business models; different business models led to different funding possibilities; different funding possibilities led to different programming; different programming redefined the medium's relationship with viewers and the culture at large. Changing advertising strategies consequently indicated a vital development in the broader process of redefining television.