

TELEVISION

IT'S (NOT) THE END OF TV AS WE KNOW IT

Understanding Online Television
and Its Audience

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Executive Summary

Television is still the dominant form of media in the US. The Council for Research Excellence, a joint venture between Nielsen Media Research, Ball State University's Center for Media Design, and Sequent Partners, found that Americans watch 99% of video on a TV screen.¹ TV is the number one media activity, but computer use has surpassed radio to become the number two media activity followed by radio and print respectively.² Though television is still dominant, consumers are spending more time watching video online. According to comScore, Americans watched an average of 271 minutes of online video in November 2008, an increase of 40% from November 2007.³ Television content accounts for a significant portion of this online viewing. In April of 2009, NBC reported serving one billion video streams since opening its Rewind service in 2006.⁴ ComScore ranks the popular television aggregator Hulu as the third largest video platform after Google (YouTube) and Fox (MySpace).⁵ Online video is certainly growing, yet we can see that it isn't replacing linear television. Content providers need strategies to understand how viewership online complements broadcast viewing. Through research and case studies, this paper will:

1. Provide some frameworks for understanding the relationship between the online and broadcast television space;
2. Describe some strategies for managing viewer expectations in the online space;
3. Categorize types of online content in terms of their appeal to viewers;
4. Outline strategies for appealing to different types of online viewers.

1 Video Consumer Mapping Study, 50

2 Ibid., 51

3 Gannes, "Time Spent Watching Video Jumps 40% in One Year."

4 Gannes, "NBC Hits 1B Full Episode Streams."

5 Gannes, "U.S. Video Views Up 16% in April to New High."

Key Frameworks

Content Framework

This paper explains the relationship between broadcast and online television in terms of **duplicate content** and **supplementary content**:

Duplicate Content

- Exists both on broadcast TV and online.
- Is identical wherever it appears.
 - Full-length episodes online are examples of duplicate content.

Making content available is the best way to maximize the value of duplicate content because people want to be able to move fluidly between broadcast viewing and online viewing.

Supplementary Content

- Is only available outside the broadcast space.
- Extends the narrative of a television or provides other ways to interact with content that has been broadcast.
 - Webisodes, mobisodes, games, and forums are all examples of supplementary content.

Successful supplementary content is able to both capitalize on existing communities and entice viewers to explore new communities.

- Networks have had success with supplementary when they've decided to push content to places where viewers are already congregating.
- Advertising supplementary content on television still works to pull viewers to network sites as well.

Viewing Frameworks

People watch TV online primarily for three reasons:

1. They want to catch-up on a show they missed in broadcast.
2. They want to watch something they haven't seen on TV before.
3. They want to repeat a show they've already seen on broadcast TV. Repeat viewers comprise a small segment of the online audience, with 30% of respondents in an ABC

study saying that they had gone online to re-watch an episode they'd already seen on TV.⁶ Similarly, nearly 40% of viewers used ABC.com to watch a re-watch an episode after seeing it on TV.⁷

Online content increases viewer engagement with programs because it is an available and plentiful complement to offline viewing. Maximizing the potential for plenitude will appeal to why viewers watch online in the first place. This paper breaks down online viewership into categories that make it easier to talk about how content functions best across online and broadcast TV. These categories of viewing are:

1. Event Viewing

- Event viewers engage with culturally relevant content that reaches a large audience and offers a shared cultural experience. The Superbowl, The Oscars, and presidential addresses are examples of programs that attract event viewers.
- Event viewing is not a new concept, but becomes more significant in a post-network era when audiences are fragmented across many channels and platforms. Where once all TV was temporally bound, event viewing is now the last vestige of content that nearly all viewers watch live.
- Availability of duplicate content is the most important factor for engaging event viewers.
- Viewers will watch Event TV because it is important to them, but select the platform on which they watch Event TV based on the benefits of that platform.
- Supplementary content like live chat, and social network integration will drive event viewers to online platforms because these features allow viewers to engage in a larger community while watching a culturally important event.

2. Subcultural Viewing

- Subcultural viewers watch TV in order to participate in niche communities both online and offline.
- Subcultural viewing is motivated by participation in *interest-driven networks*, meaning viewers participate in subcultural communities because of an affinity for particular content.

6 NBC, "Full Episode Streaming."

7 ABC, "Television on the Web."

- The availability of duplicate content is key for subcultural viewers, since they want to *catch-up* quickly so they can participate in communities. They also want to be able to *repeat* content to participate in deeper conversations.

3. Social Viewing

- Social viewing is motivated by participation in *friendship-driven* social networks, meaning viewers watch content for the purpose of sharing it with their existing social networks.
- Social viewing thrives on *supplementary* content. Embeddable clips are supplementary because they're not identical to broadcast content. Social content is typically a short clip of something that's been broadcast.
- Social viewing is good for attracting new viewers as content spreads through social networks.
- Making spreadable supplementary content available is key to motivating social viewing.

4. Incidental Viewing

- Incidental viewing refers to viewers who happen upon programming—we call this channel surfing and it can also happen in the online space.
- Incidental viewing can happen on network websites and on aggregator sites like Hulu and YouTube.
- Incidental viewing can ultimately lead people to become regular viewers, or to use content for social purposes.
- Availability of duplicate content is key for incidental viewing because it allows viewers to discover new content when they come across it either in broadcast or online.

The table below details strategies for appealing to each category of viewing based on content type (duplicate, supplementary) and reason for viewing (catch-up, new, repeat):

	Event	Subcultural	Social	Incidental
Duplicate	◆	◆		◆
Supplementary	◆	◆	◆	
Catch-up		◆		
New	◆		◆	◆
Repeat		◆		

Table 1: Content types and reasons for viewing

Case Studies

This paper examines three case studies of how content circulates in the online space.

1. Hulu and *It's Always Sunny in Philadelphia*

- *It's Always Sunny in Philadelphia*, the raunchy comedy airing on cable network FX, was removed from Hulu in January of 2009. Fans got extremely upset and started flaming the Hulu message boards and flooding Twitter with negative comments about Hulu.
- This example illustrates the challenges streaming clearances pose to effectively developing the online content market, and how content providers are limiting their success by making online television resemble the broadcast space.

2. *Gossip Girl*

- In April of 2008, the CW.com pulled streaming episodes of *Gossip Girl* from its website. The final five episodes of that season were only legally available on broadcast TV or for purchase on iTunes. The CW conducted this 'experiment' because while *Gossip Girl* had a loyal online following, its low ratings share from broadcast viewing was not generating enough revenue. The move was an attempt to increase ratings as the CW attempted to sell advertising for the next season.
- The CW found that viewers continued to watch *Gossip Girl* online through illegal channels once it wasn't available at CWTV.com. The CW's entertainment president

said that illegal access to *Gossip Girl* increased 45% while the show was offline. While fans pirated content, the CW gained neither exposure nor consumer trust.

3. South Park Studios

- SouthParkStudios.com appeals to its audience by treating its web distribution differently from its broadcast distribution. South Park Studios is not just TV content that you can stream on your computer, South Park Studios appeals to its online audience by capitalizing on the networking potential of the Internet.
- South Park Studios has made every episode of *South Park* available online at SouthParkStudios.com. The site is a 50/50 revenue split between South Park's creators and Comedy Central.
- South Park Studios offers plentiful duplicate and supplementary content. Along with full episodes, the site includes embeddable clips, a mash-up tool, and community features like message boards and chat rooms.
- This content appeals to subcultural, social, and incidental viewers.
- South Park remains a valuable property for Comedy Central. South Park's DVD and syndication sales have not been hindered by the availability of content online.

Conclusions

- The defining feature of the online audience is that they want to watch online. The online audience is not necessarily the same people who makeup broadcast audiences.
- When duplicate content isn't available legally online, people will find another way to watch that content online. And it won't be legal or monetized by networks. As Henry Jenkins has noted "Piracy often reflects market failures on the part of producers rather than moral failures on the part of consumers."⁸
- It is important to realize the moral economy that structures online viewing. When viewers feel that networks are being unfair and breaking the moral contract by removing shows, they don't feel obligated to act morally and find shows legally.
- Content has to be plentiful--abundant and available--for viewers to find exchanges fair and it also has to be plentiful so it can be spread through social networks.

⁸ Jenkins, "How Susan Spread and What It Means."