

## Managing Media Production in the Age of Convergence

### MJ Robinson

Television producers must now rely upon a multitude of sources beyond the traditional advertising and licensing fees for funding and take into consideration the ubiquity of the internet – as both a competing and complementary media. Tie-ins, product placements and cross-promotional arrangements are quickly becoming the norm as are concepts such as “gameability” as the need to encompass and accommodate multiple platforms and media forms stretches across production, distribution, promotion and exhibition activities.

The history of attempts to bring OTA and cable channels to the web dates back to the late nineteen nineties with attempts by MTV to interest Intel in a joint venture web site. The plan, to bring live web video of music concerts to subscribers via a pay-per-view website appears doomed from the start for a variety of reasons besides the fact that web video at this time was “a thicket of competing formats and video quality that at best offered a tiny, jerky picture that was often out of sync with the soundtrack” and, of course, very expensive to produce.<sup>1</sup> MTV expected Intel, which was sponsoring a series of live concerts to also sponsor the website, but this merely highlighted what has become an ongoing disconnect between “the media business and the digital world” – “MTV was used to dealing with 'sponsors' who put up money for programming but didn't ultimately own anything and Intel was accustomed to seeding fledgling digital projects by receiving equity stakes.<sup>2</sup> Then there was the issue of rights – if the performers were signed to a major label, the rights to their music and reproduction of their performances were now owned by their record company, so even if MTV had permission to shoot in the venue, the fact that they hadn't negotiated retransmission rights with who was performing in the venue made the efforts futile and fruitless.<sup>3</sup>

Online video delivery sites such as YouTube, Yahoo, i-Tunes and Mefedia and zinctv.com have risen in popularity and often mix both user-generated and professional video, as well as televisual content. Curtin and Shattuc note that “in 2007, Google/YouTube was the industry leader, streaming 1.167 billion videos to more than 50 million users in the month of January alone.”<sup>4</sup> Obviously, unauthorised (and thus uncompensated) posting of their material is a challenge for television producers who have rushed to provide their own branded services and also to notify sites such a YouTube when their content appears. In an effort to gain more control over online viewing, NBC and Fox joined together with VC firm Providence Equity Partners to launch Hulu.

Hulu was launched in March of 2008 to provide advertiser-subsidized content to viewers via streaming web video. Since then ABC has also bought an interest in the site. It originally made episodes from its partners (and their subsidiaries) available for viewing on the site along with libraries of content from other services and producers (PBS, USA, Bravo, FX, Fuel, Speed,

---

<sup>1</sup>John Motavalli, *Bamboozled at the Revolution: How Big Media Lost Billions in the Battle for the Internet*. (New York: Viking, 2002), 179.

<sup>2</sup>Ibid.

<sup>3</sup>Ibid., 180

<sup>4</sup>Michael and Jane Shattuc Curtin, *The American Television Industry* (London: Palgrave Macmillan, 2009),

SyFy, Style, Sundance, E!, A&E, CurrentTV, Oxygen<sup>5</sup>.) At last estimate 43 million Americans used the site to watch televisual content.<sup>6</sup> Most recently, Hulu Plus, a \$9.99 per month subscription service was launched which provides HD content and full seasons of episodes.<sup>7</sup> Advertising revenue for the free version of Hulu was estimated at \$100 million for 2009 and content providers receive 50-70% of the advertising revenue its programs generate.<sup>8</sup> At the same time, this model clearly is not suiting all content providers as Viacom pulled its *Colbert Report* and *Daily Show* off of the site in March of 2010 saying that “In the current economic model, there is not that much in it for us to continue at this time. If they can get to the point where the monetization model is better, then we may go back.”<sup>9</sup> These shows remained available for free via the internet, but only through Comedy Central's own site where, of course, Viacom receives all of the advertising revenue.

In addressing these challenges for television content producers, scholars must learn the arcane and often confusing language of “the industry” – most importantly the distribution deal. Beyond this, they must also understand audience measurement and quantification – a crucial part of the television industry that is currently under great revision and flux as Nielsen struggles to quantify viewers across platforms and media buyers struggle to make sense of the data and thus price each type of viewer “exposure” to the many venues in which ads can now be placed across the televisual (or cybervisual) environment.

#### Works Cited

- Curtin, Michael and Jane Shattuc. *The American Television Industry*. London: Palgrave Macmillan, 2009.
- Dana, Rebecca and Emily Steel. ""Can Hulu Find Its Mojo with Viewers?"" *The Wall Street Journal*, March 11 2008.
- James, Meg. ""Hulu Riding Online Wave"." *The Arizona Republic*, July 18 2010, AE3.
- Mastrull, Amanda. ""Comedy Central Yanks "the Daily Show" and "the Colbert Report" Off Hulu"." *The New York Daily News*, March 3 2010.
- Motavalli, John. *Bamboozled at the Revolution: How Big Media Lost Billions in the Battle for the Internet*. New York: Viking, 2002.
- Stelter, Brian. ""Hulu, the Online-Video Hub, Contemplates Its Future."" *The New York Times*,

---

<sup>5</sup>Rebecca and Emily Steel Dana, ""Can Hulu Find Its Mojo with Viewers?"" *The Wall Street Journal*, March 11 2008.

<sup>6</sup>Meg James, ""Hulu Riding Online Wave"," *The Arizona Republic*, July 18 2010.

<sup>7</sup>Ibid.

<sup>8</sup>Meg James, ""Hulu Riding Online Wave"," *The Arizona Republic*, July 18 2010.

<sup>9</sup>Amanda Mastrull, ""Comedy Central Yanks "the Daily Show" and "the Colbert Report" Off Hulu"," *The New York Daily News*, March 3 2010.