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

Understanding Online Television and Its Audience

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Introduction: We’re watching more TV than ever

Though people are watching more TV content online, most people still watch TV on a TV set. In fact, TV viewership is at a record high and it’s increasing across the board on all platforms: Nielsen recently reported that the average American watches more than 151 hours of television (on a TV set) every month. Those who also watch on the Internet consume an additional 3 hours a month online.1 Nielsen’s report suggests that convenience is the main reason that people choose to watch video online; Online video is most popular during the workday, when people are theoretically away from their TV sets. When viewers are at home, they tend to prefer watching on a TV set.

As people are watching more TV, there is no evidence that online video will replace the television set any time soon. In a recent report, The Leichtman Research Group (LRG) found “8% of adults who watch video online strongly agree that they now watch TV less often, while 75% strongly disagree.” Further, LRG found that only 3% of people who watch online video reported that they would consider disconnecting their TVs in favor of online video. In 2008, that number was 4%.2 TV is here to stay, but it has to make room for new technologies.

Adoption of new technologies doesn't happen all at once, but tends to take place in stages. Noshir Contractor, of the Kellogg School of Management, and Director of the Science of Networks in Communities (SONIC) Research Group at Northwestern University, describes three stages of technological adoption.

1. The first stage is substitution. In this stage, new technology is seen as a replacement for old technology. We might think of email as initially considered a replacement for physical written communication. In the substitution phase, email replaces the memo and serves the exact same function as the memo.

2. The second stage of technological adoption is enlargement. As technology becomes easier to use and less expensive, we use it more. Where we once sent a memo or two a day, we can now send twenty-five emails easily.

3. The third stage of technological adoption is reconfiguration. In this stage, we can think about how we can re-configure our activities to the affordances of new technology.

1 Nielsen, A2/M2 Three Screen Report

2 Online Video Usage Continues to Grow
Email, again, is a good example of technological reconfiguration because it has allowed us to change the way we communicate. With memos, we could only share what fit on a piece of paper, but with email we can collaborate on documents, attach images, and link to other content like video and websites.

It’s useful to think of advanced television technologies in terms of Contractor’s stages because we can see clear markers of the substitution and enlargement phases.

1. In terms of television, the substitution phase means we think that online television will completely replace the television set and that television viewing online will resemble television viewing offline. Online television can be seen as a substitution for broadcast television because most of the content available is meant to be viewed in the same way whether it’s seen online or offline. Online television may have fewer commercials, but the content itself is exactly the same as broadcast content. If you miss an episode on TV, you can watch that episode on your computer and have a nearly identical experience. In fact, as we’ll discuss later, a large segment of online viewers are ‘catch-up’ viewers, meaning they report watching on the computer because they missed seeing a show when it was originally broadcast. Catch-up viewers use content online to substitute for broadcast viewing.

2. Television is going through an enlargement phase as well. This enlargement manifests itself in increases in the amount of content available, in the number of platforms that support video content, and in actual viewing time. A recent report from Nielsen states that Americans watched 5 more hours of television a month in the 4th Quarter of 2008 than then did in the 4th quarter of 2007. Americans also watched 20 minutes more video online per month in the 4th quarter of 2008 compared to the 3rd quarter of 2008.3

3. The adoption of online television technology is somewhere between the substitution and enlargement stages. This paper will explore a reconfiguration of the television space by examining the way viewing experiences are constructed across broadcast and online television.

To predict what the reconfigured television experience will look like, this paper will detail the following issues facing the television industry:

3 Nielsen, A2/M2 Three Screen Report
• Scheduling and programming strategies must adapt to encompass both the scarce (network-controlled) broadcast space and the plentiful (user-controlled) online space.
• Online content can extend the narrative experience of broadcast television and it can also substitute for the broadcast viewing. It is therefore strategically critical to understand the interactions between supplementary content (extensions) and duplicate content (substitution viewing).
• Understanding the practical and social behaviors around online content will allow publishers and advertisers to appeal to the reasons people watch content online.

New technologies allow us to adapt our viewing habits, but they also require different mindsets. Online television should not be approached simply as a substitute or enlargement of broadcast television because the online distribution operates differently from broadcasting. A reconfiguration of the television space will mean that the affordances of the online space can be used to change the viewing experience. Accordingly, we need to consider the affordances of the Internet when thinking about how online TV should function.

**Scheduling and Programming: Online and Offline TV**

**Scarcity and Network Control**

A major site of difference between broadcast television and online television is programming and scheduling. Programming in the broadcast era functioned on a model of scarcity –programs ran once, in real-time with a possibility for reruns or syndication months or even years after the first airing. Effectively, viewers only had one chance to watch a given program and advertisers only had one chance to deliver those viewers to advertisers. Scheduling programs, then, became an extremely important task because networks wanted to attract as many desirable viewers as possible across an entire programming schedule. Of course this is still true. The majority of content is monetized through C3 ratings—networks negotiate with advertisers based on audience ratings that measure only those who watch on TV within three days of broadcast. To attract viewers and keep them tuned into an entire network schedule, network programming has, since the broadcast era, depended heavily on what Raymond Williams calls television’s ‘flow:’ “the cumulative succession of programs, promos, previews, ads and bumpers… [creating] a single flow on a network across several programming hours.”

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Networks scheduling strategies such as counterprogramming, tent-poling and hammocking are designed to attract audiences to networks and keep them tuned in for an entire block of programming. These strategies are meant to create a flow from one program to the next—a flow that prevents viewers from wanting to switch channels. Beyond considerations of ‘flow,’ however, networks also can help or hurt the success of a show by scheduling it on a given night. Friday and Saturday nights, for instance, are considered programming death sentences because very few people in desirable demographics watch TV at those times. When NBC recently moved hour-long drama *Kings* from Sunday night to Saturday night, *Variety* called it “exile” and *Entertainment Weekly* took it as a “silent indication” that NBC has no plans to renew the low rated show.

**Plenitude and User Control**

The concept of ‘flow’ and broadcast-era scheduling strategies are rooted in networks having control over programming. These strategies still work in the broadcast space, primarily because this space thrives on scarcity: content is made scarce because viewers have limited, time-bound chances to catch it, based on the network's schedule. The scheduling and programming strategies identified above clearly still dominate network ideology in the broadcast space, but shifts in television distribution and recording technology have made content less scarce, giving rise to the possibility for plenitude and challenging the efficacy of broadcast programming logic.

Online television and video on-demand services function in an environment marked by plenitude. Not bound by the physical scarcity of limited spectrum affecting linear broadcast television, more episodes of television shows can be available for viewers to watch at their leisure. Ideally, viewers can use online platforms in conjunction with their offline viewing to catch episodes they missed, re-watch episodes, or discover new series. Since content is freed from the network schedule in these spaces, broadcast programming strategies don’t work as well. Instead of being controlled by network-imposed flows, the flow of content online and on-demand is controlled by the viewer.

Television scholar John Caldwell suggests this user-controlled flow gives rise to ‘second-shift’ media aesthetics, a change in the way television looks and operates; Caldwell notes “programming strategies have shifted from notions of network *program* 'flows' to tactics of

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5 Schneider, “‘Kings' exiled to Saturdays by NBC.”

6 Nashawaty, “‘Kings': NBC moves sinking show to Saturdays.”
audience/user 'flows.'”7 Because content is plentiful, media producers have to anticipate the way audiences flow and migrate to programs rather than trying to create flows of programming that will attract audiences. Put another way, Caldwell’s second-shift media aesthetics indicate a change between ‘pull’ and ‘push’ models of distribution. Where once networks needed to focus only on pulling—drawing audiences in with targeted programming blocs—they now have to also push content to meet the needs of existing audience behavior. As we suggested in the white paper “If It Doesn’t Spread, It’s Dead: Creating Value in a Spreadable Marketplace,” consumers also ‘push’ content in the spreadability media environment. When viewers share content in social networks they are creating another means of distribution.8 Both the strategies of ‘pull’ and ‘push’ are still useful to attract viewers. Networks do not have to shift entirely from one model to another, but rather have to evaluate where and when push and pull strategies work best to guide television flows.

MIT Comparative Media Studies (CMS) Program co-founder William Uricchio argues that these interruptions in flow have been taking place since the remote control became popular in the 1950s.9 With each successive change in technology from remote control, to VCR, to DVR, the television industry worried that a perceived increase in viewer agency would make advertising-based revenue models obsolete. Of course, this hasn’t happened yet, but Uricchio observes that metadata and user interfaces have become central as they mediate between viewer experience and the plenitude that characterizes the current television era. Viewers need organization to find programs and those who control the metadata will control what is seen. Uricchio argues:

Neither the viewer nor the television programmer dominate the notion of flow. Instead, a new factor enters the equation: the combination of applied metadata protocols (which code the program within certain limited parameters) and filters (search engines…that selectively respond to the metadata). 10

8 Jenkins, Li, and Krauskopf, If It Doesn't Spread It's Dead: Creating Value in a Spreadable Marketplace, 31
10 Ibid., 176-7.
This argument makes sense in spaces of plenitude, like online television and VOD, where viewers need systems to manage increasing amounts of content. But networks still control program flow in the broadcast space where programming is scarce. The challenge, then, becomes developing network strategy that will balance the plenitude of online television with the scarcity of broadcast television.

The DVR: Scarcity/Plenitude, Network/Viewer Hybrid

Today, DVR-playback is one of the fastest growing segments of television viewership. Nielsen reports that in the fourth quarter of 2008, 28.9% of households owned a DVR, up from 21.3% in the fourth quarter of 2007. \(^{11}\) The same study showed that the average viewer with a DVR watches approximately 7 hours of time-shifted television a month—that’s in addition to the average 151 hours a month of TV watched in the home. \(^{12}\) The rise of the VCR and now DVR means that viewers can record or ‘time-shift’ TV programs to playback on their own schedule. The increased use of time-shifting technologies means that scheduling has taken on a different significance. DVR users are not tied to the network schedule in the same way broadcast viewers are, but the changes in ‘flow’ brought on by time-shifting don’t resemble the changes brought about by online television and VOD because the DVR doesn’t function in an environment of plenitude.

The DVR is indicative of the transitional moment television is moving through. If online and VOD viewing work within a model of plenitude and broadcast content works within a model of scarcity, then DVR viewing is a hybrid of the two. While industry and academic discourse focuses on how the DVR has freed the viewer from the network schedule, DVR viewing is actually more strongly tied to the network schedule than either online television or VOD viewing. DVR viewers can watch programs at their convenience, but they can ultimately only use the DVR to watch programs that have already been broadcast. For that reason, DVR users are still bound to the network schedule: users have to choose which programs to record; they typically can’t record more than two programs at once; and DVR hard drives have limited space, so if users forget to record a program or if the DVR malfunctions, they are at the mercy of the

\(^{11}\) Nielsen, *A2/M2 Three Screen Report*

\(^{12}\) Nielsen considers “TV in the home” as those viewing at least one minute in the measurement period. This, then, also includes DVR playback that happens while the program is still airing. Viewing is considered “Time-Shifted” if playback happens within 7 days of the program’s original air-time.
network to re-run the program they intended to record. In contrast, online and VOD viewers can choose from a library of available content without having to worry about when the program aired. Of course, most programs are not released online or on VOD until after they air, but once they are available, viewers can watch them at their leisure without having to remember to record them. Scheduling strategies, like those Caldwell discusses, may have less of an impact on the DVR viewer, but DVR technology still depends on the scarcity model of broadcast television.

In addition, many DVR viewers report turning to online content when the DVR does not or cannot record programs. In a report presented at the Advertising Research Foundation in the summer of 2007, ABC reported that over a third of online television viewers had watched a show online because they either forgot to record the show or their DVR did not record the show properly. Similarly, at the same conference, NBC reported 11% of online viewers watched a show online primarily because the DVR did not record the show and 6% reported watching because the DVR did not record the entire show. This research shows that online content serves as a complement to both broadcast and DVR viewing.

The DVR functions differently from either the broadcast or online space, so it requires different strategies. When dealing with the DVR’s tenuous position between scarcity and plenitude, Uricchio’s argument about metadata becomes particularly relevant. Since the DVR is partially dependent on user programming, users have to be encouraged and reminded to record programs. The TiVo DVR has designed software that uses metadata to suggest new programs to users. In 2002 TiVo’s recommendation algorithm prompted a now famous article in *The Wall Street Journal* by Jeffrey Zaslow, “If TiVo Thinks You Are Gay, Here's How to Set It Straight .” Zaslow’s TiVo mistakenly thought he would enjoy gay-themed programming because he recorded one program that contained gay content. TiVo’s filtering process has improved significantly since then and they have incorporated functions that let users view the cast and crew credits for programs and then use the ‘swivel search’ function to find more programs featuring any of the listed stars. TiVo also suggests programs to record while viewers are watching. During network promos for upcoming shows, a small green ‘thumbs up’ sign appears on the screen. All the viewer has to do is press the corresponding ‘thumbs up’ button on the TiVo remote to record the promoted program. TiVo’s innovation has made the scarcity of the broadcast

\[13\] ABC, “Television on the Web.”

\[14\] Zaslow, “If TiVo Thinks You Are Gay, Here's How to Set It Straight .”
space look more like plenitude of the online space. Even if viewers are still bound by scarcity, TiVo’s technology allows viewers to have more control over programming.

**Duplicate and Supplementary Content**

Online video isn’t replacing the TV set; instead, online content works to both complement and supplement broadcast content. By understanding how online viewers use both online and broadcast content, we can begin to identify strategies for how broadcast and online content can work together.

![Content types across broadcast and online TV](image)

**Figure 1: Content types across broadcast and online TV**

Figure 1 above describes the relationship between broadcast and online content.

- Live TV is traditional broadcast content that is aired only once. ‘Live’ in this sense does not refer to live simulcasts.
- Supplementary content is only available outside the broadcast space. Supplementary content 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.
- Duplicate content exists both on broadcast TV and online. As its name suggests, it’s virtually identical wherever it appears. Full-length episodes online are examples of duplicate content.

Duplicate and supplementary content function in slightly different ways, but they both work with broadcast content to create a television experience that extends beyond the TV set.
Duplicate Content

Duplicate content allows viewers to see the same content that was broadcast on television. Duplicate content may contain different advertisements, network overlays, and music, but it is fundamentally identical to the content that was originally broadcast. For example, full-episodes of a TV show on a network site, used for the purpose of ‘catching up,’ would constitute a use of duplicate content. Even if viewers only watch a program online, they are still engaging with duplicate content because an episode is essentially the same whether it’s viewed online or on a TV set.

Duplicate content is valuable because it allows viewers to move fluidly between online and broadcast to watch a show, something research suggests viewers want. A study conducted by NBC in 2007 found that 87% of online viewers had watched a show on NBC’s website because they missed the show on television. As such, duplicate content thrives on availability; When the content isn't available, viewers can’t get what they want from duplicate content — namely to catch something they missed in broadcast. Making content available is the best way to maximize the value of duplicate content.

Supplementary Content

While duplicate content is identical on TV or online, supplementary content extends broadcast content. These extensions can happen in a variety of ways in a variety of spaces.

- Official content like webisodes and mobisodes are examples of supplementary content that extends a show’s narrative to offer a richer experience of characters and plot.
- Supplementary content can also extend beyond video. Character blogs and graphic novels are examples of transmedia content that extend the narrative of the show in a different medium.
- Games also allow viewers to interact with television characters and plots in a different context.
- Supplementary content also includes unofficial sites and fan communities like recaps and fan sites. While these sites aren’t necessarily controlled by networks, they are still valuable supplementary content because they allow viewers to engage with television content outside the viewing experience. These fan activities are valuable because they are opportunities for viewers to engage with content outside of the viewing experience.

15 NBC, “Full Episode Streaming.”
While people watch *duplicate* content like they would linear broadcast content—since it’s identical on TV or on the web—*supplementary* content is only available outside the broadcast space. Therefore, *supplementary* content becomes important when thinking about how broadcast and online television spaces work together.

As supplementary content such as graphic novels, forums, and recaps demonstrate, supplementary content doesn’t have to resemble television at all. Fantasy sports leagues are a great example of how supplementary content can work with broadcast content. Sports fans become incredibly involved with content when they participate in fantasy leagues both online and offline: games broadcast on TV drive fans to fantasy websites and fantasy websites drive fans to watch games. Fantasy leagues allow viewers get exposure to a network brand when they're logged into the network’s fantasy site online while watching the game on TV. Fantasy leagues extend viewer engagement beyond the broadcast event as viewers visit the fantasy site before and after games as they predict and measure the progress of their teams.

Successful supplementary content is able to both capitalize on existing communities and entice viewers to explore new communities. Networks have had success with supplementary content when they’ve decided to push content to places where viewers are already congregating. Bravo's acquisition of the popular web community, Television without Pity and CBS' purchase of TV.com are both examples of the networks ‘going where the viewers are.’ Both these sites were attractive to networks because they fostered active communities long before their acquisition. Consequently, Bravo and CBS were able extend their brands to these communities instead of trying to pull viewers to their own branded spaces.
Why People Watch TV online

The online audience is becoming more significant every month. ComScore reported that approximately 151,662,000 unique American viewers watched video online in April of 2009.\textsuperscript{16} While some of these viewers may have only watched short videos on sites like YouTube\textsuperscript{17}, Hulu alone served video to over 40 million unique viewers.\textsuperscript{18} The online audience for full-length television episodes is growing and understanding why people watch online will shed light on how to maximize the online viewer experience. Both Nielsen\textsuperscript{19} and ABC\textsuperscript{20} report that viewers watch online primarily out of convenience. As we’ve discussed, online viewing is convenient because it is plentiful and not tied to network schedule. NBCU’s 2007 survey found that online viewers fall neatly into three categories: catch-up viewers, new viewers, and repeat viewers.\textsuperscript{21}

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<td>As previously noted, the largest percentage of respondents (87%) reported having watched content online to watch an episode they missed on TV.</td>
<td>NBCU found that 35% of viewers had watched something online that they hadn’t seen on TV before.</td>
<td>Repeat viewers comprised the smallest segment of online audience, with 30% of respondents saying that they had gone online to re-watch an episode they’d already seen on TV. Similarly, nearly 40% of viewers used ABC.com to watch a re-watch an episode after seeing it on TV.</td>
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\textit{Table 1: Viewing categories}

\textsuperscript{16} Gannes, “U.S. Video Views Up 16\% in April to New High.”

\textsuperscript{17} Much of the content people watch on YouTube doesn't come from networks since YouTube also serves UGC and independently distributed content. See Burgess and Green, \textit{YouTube} for a detailed discussion of YouTube content.

\textsuperscript{18} Gannes, “U.S. Video Views Up 16\% in April to New High.”

\textsuperscript{19} “TV, Internet And Mobile Usage In U.S. Continues To Rise .”

\textsuperscript{20} ABC, “Television on the Web.”

\textsuperscript{21} NBC, “Full Episode Streaming.”
Each of these types of viewers—catch-up, new, and repeat—represents a large, measurable segment of audience that has been effectively created by online television. Further, these studies have found that online viewing is not cannibalizing broadcast viewing; In fact, online viewing is having the opposite effect. ABC’s report finds that “Viewers are layering streaming episodes of network programs on top of traditional TV in increasing numbers, with initial indicators that this is driving both program and brand affinity.”22 Online content, then, 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 seek online content in the first place.

22 Ibid.
Categories of Viewership

We know that people use online TV for catch-up, repeat, and new viewing. Next, we’ll further discuss why people are catching-up, discovering something new, or re-watching something online. It’s helpful to discuss what people want to watch and why they’re watching it to understand what people want from online content. To talk about the way people view, we are going to look at the different types of viewing that happens both online and offline. We’ve broken down different types of viewing into categories that make it easier to talk about how content functions best in a reconfigured online/broadcast viewing experience. These categories of viewing are:

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The sections that follow will define each of these categories of viewing and give examples of how they can appeal to new, catch-up and repeat viewers. It’s important to remember that these categories refer to viewers not content. As we will see in some of the examples below, viewers can view and interact with the same content differently and for different reasons. Table 2 below details strategies for appealing to each category of viewing based on content type (duplicate, supplementary) and reason for viewing (catch-up, new, repeat). The next section explains strategies for appealing to different categories of viewers.

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*Table 2: Content types and reasons for viewing*
Event Viewing

On January 20, 2009, Facebook and CNN teamed up to present a live stream of President Obama’s inaugural address. Alongside the stream, a sidebar enabled users to update their Facebook status in real time and see the status updates of friends (See Image 1 below). Millions of viewers watched President Obama’s inaugural address from the CNN.com/ Facebook platform. During the course of the day, CNN served more than 21 million video streams, with as many as 1.3 million simultaneous streams. Facebook reported similarly high numbers: more than 600,000 status updates were posted to the CNN platform by the end of the address and Facebook averaged 4,000 status updates a minute during the address.

Image 1: CNN/Facebook coverage of President Obama’s Inauguration. The site included live-streaming video accompanied to the right by a live stream of Facebook updates. Image by Flickr user cattais.photos

The Presidential Inauguration is an example of event viewing. Large audiences participate in event viewing, which takes place around shared cultural experiences - culturally relevant content

23 Pete Cashmore, “Mindblowing Numbers From the Obama Inauguration.”
like a major sporting event (such as the US Superbowl) or a Presidential address are prime candidates for this type of watching. Obviously, event viewing is not a new concept, but it 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.

Though event viewing has been around as long as television itself, the way we access it is changing. Television content used to be consumed primarily in the home, but with the emergence of online TV platforms and mobile TV, television content is now portable. For Event viewing, this portability means an increased opportunity for viewers to engage with content even when they are not in the home.

**Event Viewing Mindsets**

The availability of duplicate content is the most important factor for engaging event viewers. Event viewing is culturally significant because it’s watched live as a shared experience. Viewers will select which platform to watch based on the platform's relative benefits. Since many offices have high-speed internet connections, the workplace has become a place to watch online TV content. A recent study done by Nielsen shows that 65% of people who watch online video do so between 9 and 5, Mondays through Fridays. Only 51% report watching online on evenings and weekends. From these statistics, it stands to reason that many viewers stream content when they’re away from home and presumably away from their television sets. Obama’s Inauguration took place on a Tuesday afternoon—apparently prime time for streaming video—so it’s no surprise that the CNN/Facebook feed attracted so many viewers. Since people have access to streaming video and seem to be willing to use it during the day, there may be more of a market for event television online.

Further, supplementary content can also make event television more valuable to viewers, as we saw with the Obama example. It made sense for Obama’s inauguration to be available through Facebook since people were used to interacting with Obama on Facebook. Obama used Facebook throughout the election process and his presence extends far beyond his page, which at

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the time of writing has nearly 6 million supporters. Obama’s camp used Facebook and MySpace to mobilize voters, organize election canvassing, and spread the word about rallies and other events. There is even an official Obama Facebook application that allows people to watch videos of the President and upload their own content. Just as the duplicate streaming video was convenient for the millions of viewers who tuned into the inauguration on CNN/Facebook, Facebook was a convenient supplementary platform for those Obama supporters who were already familiar with the platform.

CNN and Facebook were able to push content to viewers already familiar with Facebook. Other websites have attracted users where they congregate during event TV, but few have been able to integrate video and interactive features. The gossip blogs Defamer and GoFugYourself (through NY Magazine) ran live blogs during the 2009 Oscars. But since there was no streaming feed of the Oscars, users had to simultaneously watch TV and follow these live blogs on their computers. This behavior is becoming increasingly common: Nielsen found that 31% of all Internet use happens while consumers are also watching television. Even when platform integration is not possible, content providers can appeal to event viewers by providing online content that can be used in conjunction with linear viewing.

The community aspect of the CNN/Facebook inauguration stream also contributed to the success of this supplementary content. Since the inauguration was a major cultural event, people understandably wanted to engage with a larger community while watching. The Facebook stream allowed people to update their status messages in real time. Many people took this opportunity to comment on what they saw on TV and share their impressions with Facebook friends and the Facebook community as a whole. Similarly, Current TV’s “Hack the Debate” allowed viewers to participate in event TV by running comments from Twitter users across the screen during the 2008 presidential debates. To participate, users had to mark their 140-character Twitter posts with a particular hash tag. The posts were then shown on both CurrentTVs cable TV channel and on a live stream on CurrentTV’s website.

Both the CurrentTV and CNN/Facebook examples illustrate ways various platforms have tried to support event television viewing with their respective community tools. These ‘communities,’ however, were not really engaged in a conversation. Facebook status updates and Tweets came in at an overwhelming rate, so users weren’t able to respond to one another without getting lost

in the steady stream of messages. Still, users could use either Twitter or Facebook to sort updates from friends. Further, Twitter allows users to directly reply to one another by beginning tweets with an @ symbol. The CNN/Facebook inauguration stream allowed viewers to interact with a large community and also with their friends during the event and for that reason, it succeeded in attracting event viewers.

By virtue of event viewing’s temporal significance, all viewers will be new viewers. To attract these viewers, networks can ‘Push’ content to online space like CNN did with Facebook. In the broadcast space, it still makes sense to pull viewers to content. Since event TV is culturally significant, viewers will seek it out on TV.

**Subcultural Viewing**

Subcultural viewers watch TV in order to participate in niche communities both online and offline. Subcultural viewing is motivated by participation in what the MacArthur Foundation’s Digital Youth Project calls *interest-driven* networks. Researcher Mizuko Ito and her colleagues at the Digital Youth Project describe interest-driven networks as “genres of participation [that] put specialized activities, interests, or niche and marginalized identities first.”

The idea of interest-driven networks is important since viewers participate in subcultural communities because of an affinity for particular content. We’ll compare *interest-driven* networks of subcultural viewers to *friendship-driven* networks in the discussion of social viewing below.

Online communities for subcultural viewers those oriented around recaps, forums, and fan-created content such as fan fiction and knowledge projects like Lostpedia. People engage in these subcultural activities to share knowledge about, mock, or discuss a program. Subcultural viewers are deeply invested in content, whether for discussion or ridicule. These viewers appreciate feedback from producers, and in turn, producers can learn much from Subcultural TV audiences.

“A Simple Explanation?”: *House, Hulu and online availability*

A recent example of online television failing to meet the needs of viewers illustrates the key concepts of subcultural viewing. Though the online TV platform Hulu makes a large library of content available, networks still try to preserve existing distribution models by setting limits on the availability of content. These limits are thought to help preserve syndication profits and drive people to broadcast viewing. In many cases, shows are available on Hulu the day after they air.

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26 Ito et al., *Living and Learning with New Media: Summary of Findings from the Digital Youth Project*, 14
on television. Others only become available up to eight days after broadcast. This means that some episodes on Hulu are a full week behind broadcast. For catch-up and repeat viewers, this is a frequent annoyance, but the long delays can also thwart new viewers. On an episode screening April 6, 2009, Kutner, one of the main characters of the Fox drama *House* died unexpectedly. The episode, entitled “A Simple Explanation,” Created a lot of buzz in both the press and blogosphere as Kal Penn, the actor who played Kutner, left *House* to work for the Obama administration.

The episode created substantial media traction for Fox and NBCU (which produces the show). By April 8, two days after the episode aired, *The Washington Post, Chicago Tribune, Christian Science Monitor, Los Angeles Times, USA Today, Rolling Stone,* and dozens of other news sources had published stories about the episode of *House* and Kal Penn’s career plans. Additionally, TV and radio outlets like NPR, CNN, Fox news also aired stories about Penn.27 Despite interest, Fox had no way of using that traction to drive people to Hulu or Fox.com’s streaming site. Due to online streaming policies, the episode was not available for free anywhere online until April 14—that’s eight days after the episode originally aired. If viewers missed the episode on broadcast TV, they were out of luck. If the media coverage made them want to watch *House* for the first time, they were out of luck. If they wanted to re-watch the episode because of all the press attention it had received, they were out of luck. By the time viewers could see “A Simple Explanation” online, another episode of *House* had already aired, making Hulu viewers a full week behind.

Fox explains that *House*’s availability isn’t guaranteed on FOX.com because NBCU produces the show. Their FAQ doesn’t clarify the issue:

Q: What if I miss a show? Can I watch on-line…?
A: Also note that some FOX-aired shows like HOUSE are produced by studios not directly part of the FOX family (for example, HOUSE is produced by NBC Universal Studios) - therefore, shows like these are less likely to be made available on this site at this time. Perhaps in the future, we'll be able to offer that show and others to the site.28

27 “Kal Penn tackles a new role: White Ho... - Google News.”

28 “Ask FOX.”
FOX should obviously update its FAQ since *House* is, in fact, available on the site, but more importantly this discussion of *House*’s availability highlights how the tenuous relationships between content providers and streaming sites can negatively affect viewers. NBCU produces *House* and FOX broadcasts *House*. On the surface, *House* seems like the perfect series for Hulu, which is jointly owned by NBCU and Newscorp (FOX’s parent company). And *House* does show up on Hulu and Fox’s streaming site eventually, but something in the tangled web of ‘streaming clearances’ makes it so that neither FOX nor NBCU can gain maximum impact from timely streaming episodes of *House*. Any subcultural viewers wanting to participate in interest-driven House interactions had to catch the episode when it was broadcast or resort to other measures to watch it -- principally, avoiding official, licensed distribution platforms altogether.

**Subcultural Viewing Mindsets**

The availability of duplicate content is important for catch-up and repeat viewing as we saw with the *House* example above. Subcultural viewing is temporally bound to the network schedule since viewers want to be able to participate in community discussion when it happens, generally as soon as possible after a program airs. There is also a desire to avoid spoilers within subcultural communities, so watching early becomes important. Though there is not as much of an impetus to watch subcultural content live as there is with event content, many subcultural viewers watch in real-time or same day. Others watch online. If content is not available legally soon after air, subcultural audiences are motivated enough to find content elsewhere. Supplementary content is also important to subcultural viewers as the fan sites, forums, and recaps they participate in are all a supplement to the show. As we saw with *House*, the press coverage around “A Simple Explanation” was supplementary to the episode and could have drawn viewers to watch *House*.

Subcultural viewers want to be able to *catch-up* quickly so they can participate in community discussion. They also want to be able to *repeat* content so they can parse details of the show that may not be apparent on first viewing. Though most new viewers don’t watch a show to participate in a subculture, in the case of *House*, press coverage and public discussions could have attracted new viewers to watch *House* online.
Social Viewing

Susan Boyle, a 48-year-old amateur vocalist, became a celebrity in the United States when video of her first performance on UK talent show Britain’s Got Talent circulated across the Internet, particularly on YouTube. Within two weeks of the show’s original broadcast on April 11, 2009, Boyle’s performance had attracted over 200 million YouTube views and more than 85 million had shared Boyle-related video by emailing links to the performance, embedding clips of Boyle on websites, and posting Twitter and Facebook updates about Boyle. As Boyle became popular, people began to seek out more information about her. By the end of April, Boyle’s Facebook page had nearly 2 million fans.

The remarkable spreadability of Boyle’s performance is the perfect example of social viewing. People were motivated to watch and share Boyle’s performance to participate in friendship-driven networks. Ito et al. describe friendship-driven networks in terms of youth, but their definition easily applies to adults as well: “For most youth, these local friendship-driven networks are their primary source of affiliation, friendship, and romantic partners, and their lives online mirror this local network.” Social viewing resembles subcultural viewing because in both cases viewers watch content to participate in networks, but while subcultural viewers watch content to participate in conversations about the content, social viewers watch content for the purpose of sharing it with their existing social networks.

As Henry Jenkins notes in his blog post about the Susan Boyle phenomenon, social viewing is motivated by a sense of discovery. People decided to share Susan Boyle with friends because “they could anticipate that they were sharing the video with people who probably hadn't seen it already, precisely because the content was not yet being broadcast on commercial television.” Further, Jenkins asserts that the reasons people choose to engage in social viewing are less important than the act of viewing itself: “There's no need to identify a single cause for why people spread this content. Different people spread this content for different reasons. Hell, often, the same person spreads this content for different reasons.”

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29 Ito et al., Living and Learning with New Media: Summary of Findings from the Digital Youth Project, 13

30 Jenkins, “How Susan Spread and What It Means.”

31 Ibid.

32 Ibid.
Boyle clip obviously struck a chord with people, but “[h]er meaning doesn't reside in the video itself -- we won't exhaust it no matter how many times with watch it. The meaning rests in the conversations that Susan Boyle enables us to have with each other.” The varied meanings people found in Susan Boyle’s performance provided a fruitful topic of conversation among friends.

**Social Viewing Mindsets**

Social viewing thrives on *supplementary* content. Embeddable clips, like Susan Boyle’s performance, are supplementary because they’re not identical to broadcast content. Social content is typically a short clip of something that’s been broadcast. Content viewed for social purposes can motivate people to watch an entire episode, but this isn’t the primary way social viewing works. For the most part, American viewers wanted to talk about Susan Boyle’s performance and not *Britain’s Got Talent* as a whole. We can see the same patterns in *Saturday Night Live* content like “Lazy Sunday” and sketches featuring Tina Fey impersonating Alaskan Governor Sarah Palin: People like to share, embed, and tweet about these clips, but they’re not necessarily interested in watching an entire episode of *SNL*. Because these clips are not identical to an entire episode of *SNL*, they’re supplementary to the broadcast content.

Social viewing is good for attracting new viewers as content spreads through social networks. People may re-watch TV content as it spreads through networks and they may also re-watch things they’ve seen on broadcast TV with the intention of spreading it to friends. Making this spreadable supplementary content available is key to motivating social viewing.

**Incidental Viewing**

The final type of viewing is *incidental viewing*. Incidental viewing refers to viewers who happen upon programming; Incidental viewing is channel surfing, and it can happen in the online space as well as on broadcast. People may come to a video site for another purpose and stumble upon content that interests them. 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.

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33 Ibid.
**Incidental Viewing Mindsets**

Duplicate content can attract viewers when they come across it either in broadcast or online. Incidental viewers are by definition new viewers, but they can become regular viewers once they find content they like.

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Case Studies

So far we’ve defined the types of content available online and talked about how that content can appeal to event, subcultural, social and incidental viewers. Next, we’ll look at some case studies that provide holistic examples of how content and viewership works across broadcast and online TV. We’ll cover three case studies:

- Hulu and *It’s Always Sunny in Philadelphia*
- CWTV.com and *Gossip Girl*
- South Park Studios

**Hulu and *It’s Always Sunny in Philadelphia***

Since its launch in March of 2008, online video site Hulu.com has brought the conversation about online video into the spotlight. A joint venture between News Corp and NBC Universal, Hulu offers movies and television shows from more than 130 content providers.\(^{34}\) Recently, Hulu has grown to be the 4th largest online video service in the US, behind YouTube, Fox (MySpace), and Yahoo.\(^{35}\) Unlike, YouTube and MySpace, however, Hulu serves primarily long-form content (such as movies and full episodes of TV shows). Hulu is very popular in the US, especially given its relative youth, and the site is able to leverage the plentitude afforded by the online space. Despite its successes, however, viewers are regularly thwarted by Hulu which replicates many traditional broadcast models, and which sometimes falls victim to a conservative approach to providing content online.

Many of Hulu’s content policies are driven by a fear that online content will cannibalize other revenue streams by driving viewers to watch on the web rather than watching in syndication (where ad revenues are higher than online revenues) or purchasing DVDs. As we’ve noted, people are still watching TV on TV sets, so worrying that Hulu will somehow cannibalize the syndication market seems unwarranted. As Nielsen, LRG, ABC, and NBC studies indicate, people tend to turn to online video when it’s more convenient than a TV set. Hulu’s wide variety of current and back catalog content means that it could be an ideal venue for catch-up, new, and repeat viewers, but because of licensing issues, Hulu’s existing business model only accounts for some of this need some of the time as a recent example proves.

\(^{34}\) “Hulu - About.”

\(^{35}\) Schonfeld, “Hulu Gains 10 Million Viewers In February, Now No. 4 Video Site In U.S..”
Plenitude, Hulu, and *It's Always Sunny*

*It's Always Sunny in Philadelphia*, the raunchy comedy airing on cable network FX, was yanked 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.

Hulu took note and Hulu CEO Jason Kilar posted an apology to the Hulu blog. The blog post mainly apologized to fans for mishandling the removal of *It's Always Sunny*, but Kilar also highlighted the fragile relationship between Hulu and content providers:

> On January 9, we removed nearly 3 seasons of full episodes of *It's Always Sunny in Philadelphia*. We did this at the request of the content owner. Despite Hulu's opinion and position on such content removals (which we share liberally with all of our content partners), these things do happen and will continue to happen on the Hulu service with regards to some television series.

Even though Hulu strives to make as much content available as possible, they are ultimately tied to the streaming clearances granted by content producers, which can be revoked at any time because of concerns over music clearance, syndication, and DVD sales. Ultimately, *It's Always Sunny* became available on Hulu again. Full episodes from all four seasons are now available and President of Fox Cable Networks Rich Battista now claims that offline ratings for *It's Always Sunny* went up because of exposure on Hulu.

Hulu and Plenitude

Both the *It's Always Sunny* example and the *House* episode snafu discussed above, illustrate how the online space becomes inconvenient for viewers because of complicated streaming clearances. For a variety of reasons, streaming clearances are one the main reason Hulu isn’t a truly plentiful space. Problematic producer/distributor negotiations around streaming clearances get in the way of timely online availability as we see in the case of *House*, but producers and broadcasters also use streaming clearances to make Hulu resemble the broadcast space by making episodes scarce pending syndication deals and DVD releases.

36 Albrecht, “Hulu Yanks Sunny, Viewers Don’t Find it Funny.”

37 Kilar, “Customer Trust is Hard Won, Easily Lost.”

38 Chmielewski and James, “Internet's role in cable TV debated.”
From the outset, Kilar has recognized that online video should be different from the television set. To that end, he stressed the importance of plenitude and convinced NBC and Fox to make as many programs available as possible. Still, Hulu is not able to leave programs on its site in perpetuity. Hulu’s about page explains content availability:

First, our goals are aligned with our users: we’d like to keep as many videos up on Hulu and our distribution partners' sites for as long as possible. However, content retention depends on many things, including streaming clearances granted by our content providers. Hulu is continuously working with content owners to keep videos up as long as contracts will allow. So far, many of our content partners have been very helpful and share our desire to provide choice and depth of videos on Hulu. In regard to specific reasons why a video may be taken down, there isn't one single reason why a video might expire off of the service. Streaming clearances can be determined by any number of legal or business agreements that differ from show to show. Music clearances, impending DVD sales and syndication sales are just a few reasons why an episode, entire season or movie may expire.

While Hulu makes a lot of content available for a long time, the fact that videos are pulled because of “impending DVD sales and syndication sales” indicates a fundamental misunderstanding of the online space on the part of content providers.

Further, networks should develop strategies that recognize the different value of syndication and online video. Each requires a different business model, but they can work in conjunction with one another. If anything, sites like Hulu could help drive interest in syndication deals. Having become familiar with a series on Hulu, viewers might be more likely to tune into that same program when it airs on TV, especially since the TV set is typically larger and easier to gather around than a computer. They are both valuable, even if online video isn’t as clearly monetized yet.

There is no clear evidence that online video cannibalizes DVD sales, either. Again, the DVD market functions within a different set of logics from the online market and the broadcast market.

39 Rose, “Free, Legal and Online: Why Hulu Is the New Way to Watch TV.”

40 “Hulu - About.”
Producers need to realize the different purposes DVDs and online video serve for consumers. Archiving - not catch-up viewing - is a key purpose driving DVD sales; a purpose online streaming does not yet seem poised to replace. Viewers want to have a show in their collection and they enjoy the extra features DVDs provide. The relationship between DVD sales and online viewing is not causal. Online viewing and VOD are up, but not because DVD sales are down. DVD sales are dwindling in light of the maturation of the DVD format - sales of DVD were high in the early and mid-part of the product's cycle as viewers were rapidly purchasing television programming previously unavailable for the home market. In the current moment, when the DVD itself is being phased out by publishers in favor of Blu-Ray, many consumers have filled-out their back-catalog of favorite programs and are only purchasing new content or migrating to Blu-Ray. Furthermore, the current global economic downturn must be seen as a contributor to a slowdown in DVD sales. If monetized properly, online and VOD content can make up for lost DVD revenue, but they won’t replace the archiving function that DVDs serve.  

Piracy

The controversy over It’s Always Sunny created a heated discussion about piracy on Hulu’s message boards, with many users claiming that pulling content from Hulu would drive them to ‘steal’ TV shows through peer-to-peer file sharing protocols like BitTorrent. After the It’s Always Sunny incident, Dan Frommer, editor of the tech business blog, Silicon Alley Insider, astutely observed:

People use Hulu because it's free, easy to use, and good quality. But mostly because it's free. The next easiest, freest option for many Hulu users -- people comfortable with watching TV on their computers -- isn't driving to Best Buy [to buy a DVD]. It's a Firefox trip to The Pirate Bay.”

Gossip Girl

Other shows have found that piracy increases when popular shows are not available online. 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 via

41 Atkinson, “DVD Backend Is Dwindling.”
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. After only two months, *Gossip Girl* was back online because broadcast-only distribution failed to produce the ratings bump needed. Further, 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. CW Senior VP Paul McGuire explained the decision to put *Gossip Girl* back online: “Ultimately, we’ve decided to begin streaming episodes of the show again on cwtv.com because we want The CW to be the primary destination for all things ‘Gossip Girl,’ from on-air to online.”

Hulu was created to counteract precisely the kind of piracy that the CW saw when it pulled *Gossip Girl*. The About section of Hulu’s website is full of very earnest-sounding talk about piracy. In fact, Hulu directly addresses concerns about piracy in a section of its FAQ:

*Q: Why would I watch videos on Hulu when I have a larger selection of premium content through pirate services?*

A: Hulu is a free and easy-to-use online video service that legally aggregates premium, professionally-produced content. We’re focused on delivering a high-quality viewing experience that requires no downloads and is accessible when, where and how users want.

*Q: Who and what are your main competitors?*

A: The main competitors to Hulu are the various piracy services that enable users with the ability to illegally access premium content for free, without the permission of the content owner.

*Q: What’s your view on peer-to-peer networks and other forms of illegal files sharing of copyrighted material? Is Hulu a strategy against this?*

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43 James, “CW to stop free streaming of ‘Gossip Girl’. "

A: Piracy is a problem that exists industry wide. By building a compelling service for end users that is easy-to-use and free, we believe that Hulu is a great platform for content providers who want to legally monetize their content online.\textsuperscript{45}

The sentiments expressed in this FAQ illustrate exactly the mindsets that we’re espousing: content on Hulu is both convenient to access and readily available. The answer to the second question, however, illustrates a fundamental misunderstanding of piracy.

Henry Jenkins notes that: “Underlying all economic transactions are certain social understandings between buyers and sellers that reflect their sense that exchanges are just and fair to both sides.”\textsuperscript{46} These social understandings comprise what the Consortium has written about previously as ‘The Moral Economy.’ In Alec Austin’s 2006 white paper "How to Turn Pirates into Loyalists: The Moral Economy and an Alternative Response to File Sharing," Austin framed the discourse about piracy in terms of a breakdown of the moral economy, arguing that producers have undermined the implicit moral transaction with consumers by attempting to prohibit peer-to-peer file sharing. The legal battles that ensued over corporate-owned content circulating through new technologies (like Napster and YouTube) have served to position corporations in opposition to fans and make it seem like the exchange is no longer fair to consumers. On the other hand, producers have the capability to turn consumers into fans and loyalists by acting fairly in the moral economy:

In addition to its obvious economic impact, the moral economy has an emotional dimension as audience members develop relationships with creators or rights-holders. Over the long term, ‘legitimate’ behavior and sincere engagement can cause audience members to become personally invested in your success. Consistently behaving in ways the audience deems illegitimate can create resentment and an environment where audience members will become equally invested in your failure. Thus, on both the individual and collective levels, the moral economy has the power to decide whether a corporation’s relationship with its

\textsuperscript{45} “Hulu - About.”

\textsuperscript{46} Jenkins, “Some of My Best Friends Are Pirates.”
To keep the moral economy tipped in their favor, producers need to recognize they are involved in transactions governed by non-market norms. Austin suggests six strategies content producers can employ strategies that seek to engage rather than alienate fans:

1. Differentiate Between Fans and Pirates
2. Engage Your Audience and Cultivate Trust
3. Accept and Exploit Viral Events
4. Grant Licenses and Liberalize the Permissions Regime
5. Minimize Inconvenience and Barriers to Adoption
6. Exploit File-Sharing to Open and Test New Markets

Hulu’s assertion that ‘piracy sites’ are their main competitor illustrates Hulu’s difficulty differentiating between fans and pirates. It’s a mistake to see piracy as a competitor to legitimate monetized sites like Hulu because piracy is actually a response to the failures of sites like Hulu. Piracy will exist in some form as long as there are people who don’t want to pay for things, but those people will be eternally elusive targets. Sites like Hulu will have a problem with piracy as long as they fail to recognize and address the reason most people pirate content, which is a combination of price, convenience, and supply. Henry Jenkins has written about piracy as an indication of failure in the marketplace rather than an example of deviant behavior: “[T]he media industries could reduce some forms of ‘piracy’ by better understanding what motivates it and reading it as symptomatic of the marketplace reasserting demand in the face of failures in supply.”

Thus, fans pirate content because they know it has been available on broadcast space, but is not available in a suitable fashion online. In terms of the moral economy, that’s a fair transaction.

As the *Always Sunny* example shows, Hulu has tried to cultivate trust in its audience by addressing and apologizing for the problems fans have with content availability. Despite its laudable transparency, however, Hulu still hasn’t been able to employ Austin’s strategy of

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47 Austin, *How to Turn Pirates into Loyalists: The Moral Economy and an Alternative Response to File Sharing*, 12

48 Jenkins, “Some of My Best Friends Are Pirates.”
‘liberalizing the permissions regime’ enough for fans to feel that content providers have lived up to their end of the moral economy bargain. Hulu’s founders seem to agree with Austin’s arguments in theory, but streaming clearances once again limit Hulu’s ability to effectively combat piracy.

Hulu was created to “exploit viral events” and “minimize inconvenience and barriers to adoption,” but with limited success. In an early interview about the Hulu, NBC Universal chief Jeff Zucker said that NBCU and Newscorp decided to create Hulu because of the popularity of NBC and Fox content on sites like YouTube. Zucker saw the popularity of Saturday Night Live’s “Lazy Sunday” sketch on YouTube as an indication of the demand for online content. And if NBCU wasn’t making money off its content, some one else was. Legal battles only succeeded in removing content from monitored sites like YouTube, but content still circulated in peer-to-peer networks. Litigation also eroded consumer trust, as Jenkins explains. Hulu, then, became a way for NBC and Fox to fight piracy without having to resort to legal action. Zucker explains in an interview with Wired, “The best way to combat piracy is to make your content available…We don't know for sure what the impact is going to be on our established businesses. But we want to make sure consumers know they don't need to steal our content. That's really what Hulu is about.” Unfortunately for Zucker, Hulu still hasn’t met market demand. Nebulous streaming clearances mean that shows can be pulled from Hulu at any time and problematic licensing agreements mean that some shows—like House—arrive on Hulu up to eight days after they air on TV.

In effect, Hulu has only gone part of the way to combating piracy. It functions within a space of limited plenitude and is still used as a tool to create a false sense of scarcity. Shows are taken down from Hulu because they could potentially cannibalize DVD sales or syndication, but Hulu isn’t competing with DVDs or syndicated television. It’s also not competing with online pirated content as Hulu’s FAQ suggests—fans will only need to stray from Hulu when something they want isn’t available. The online space is plentiful whether producers want to recognize it or not. If content is not available on Hulu—where it’s convenient, legal, and high-quality—then it will be available on BitTorrent aggregators.

49 Rose, “Free, Legal and Online: Why Hulu Is the New Way to Watch TV.”
South Park Studios, a counterpoint

The creators of the animated comedy *South Park* faced concerns about making content available online, but took a different approach. Rather than restricting access, South Park Studios (SPS) 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. Along with full episodes, the site includes embeddable clips, a content ‘mixer’ that allows users to make mash-up videos using *South Park* content, and community features like message boards and chat rooms. This deal is remarkable because of its revenue sharing structure and because it seems to disprove the broadcast logics that dominate content licensing on other sites like Hulu. *South Park* is Comedy Central’s highest rated program. It’s made hundreds of millions in DVD sales and product licensing and in 2003, the show earned $100 million in one of the first broadcast syndication deals for a cable show. DVD sales and syndication are two of the main reasons content providers remove shows from Hulu, yet South Park Studios goes out of its way to make content available despite a track record for lucrative licensing deals. Doug Herzog, president of MTV Networks, which owns Comedy Central, said he wasn’t worried about cannibalizing DVD sales: “The idea that you go out and actually go to the store to purchase DVDs is a different experience than going to the Web, and snacking and sharing.” Herzog wasn’t concerned about jeopardizing *South Park*’s ratings or syndication deals either.

South Park Studios also approached the issue of piracy from a different angle. When SouthParkStudios.com was announced, creators Trey Parker and Matt Stone said in a statement: “We got really sick of having to download our own show illegally all the time so we gave ourselves a legal alternative.” Though Parker and Stone’s comment may seem like a cheeky, offhand remark, it demonstrates an understanding of piracy as a failure of the marketplace or a breakdown of the ‘moral economy.’ A few recent episodes of *South Park* were usually on Comedy Central’s website before SouthParkStudios.com was created, but Parker and Stone realized that the only way for fans to get older episodes for free was through illegal downloads. Instead of painting pirates as the enemy—like Hulu does—Parker and Stone decided to cater to

50 Albrecht, “Come on Down to South Park and Watch the Shows Online « NewTeeVee.”

51 Halbfinger, “‘South Park’ Creators Win Ad Sharing in Deal .”

52 Bloomberg News, “Sweet, 'South Park' is free online - The Boston Globe.”

53 Ibid.
the demand that drove people to piracy in the first place. They successfully diminished the demand for pirated *South Park* content and in the process, they created a website that can capitalize on that demand through advertising. South Park Studios currently serves as one of the strongest examples of plenitude in the US market.

And it’s successful: SouthParkStudios attracted a record 685,000 unique viewers in March of 2009. Of course, Hulu attracted over 6.6 million unique viewers during the same period, but South Park Studios has only a fraction of Hulu’s content and advertising. Part of South Park Studios’ success lies in the fact that as a site, it does not resemble broadcast television. 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.

**How South Park Studios appeals to viewers**

South Park Studios has created a site that provides both duplicate and supplementary content to appeal to subcultural, social, and incidental viewers.

**Duplicate Content:**

SPS functions in a model of relative plentitude. Every episode is available in full and can be watched whenever viewers can access the site. SPS still isn’t completely plentiful, however. Episodes go up one day after they air. They remain on the site for one week, then they’re removed. After three weeks, episodes return to the site and remain there in perpetuity.

The site's FAQ explains: “Unfortunately, we can only have a new show up for one week, then we are contractually obligated to pull our new episodes down for three weeks. This is due to a bunch of legal mumbo-jumbo that is over our head.” The “legal mumbo-jumbo,” is probably not really above the savvy FAQ writers. But by effectively calling the policy nonsense, SPS makes itself look sympathetic to viewer’s frustrations with streaming clearance windows. While SPS is more plentiful than most sites, that “legal mumbo jumbo” still frustrates viewers, as we can see in the forums and FAQ. Still, South Park Studios is transparent about its policies, so they can avoid the complications that ensued when Hulu removed *It’s Always Sunny* without warning.

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54 “South Park Studios Company Profile.”

55 “FAQ - South Park Studios.”
Supplementary Content:
Supplementary Content allows viewers to extend the *South Park* experience with forums, chat, games, an episode ‘mixer,’ news feed, and the South Park Studios store.

Subcultural Viewers:

- Supplementary content on SPS allows people to talk about *South Park* in forums and chat rooms.
- Full episodes are available so subcultural viewers can catch-up on episodes they missed and re-watch episodes they want to discuss.
- Games allow subcultural viewers to interact further with SP brand.
- The South Park store gives subcultural viewers a way to purchase allegiance to a show they care about.

Social Viewers

- Supplementary and duplicate content is plentiful for people who want to share SP with their friends.
- The ‘Mixer’ allows fans to remix clips from the show to embed and share with friends.
- All clips are embeddable and sharable so people can spread them in social networks.

Incidental Viewers

- Of all viewer types, SPS probably appeals least to incidental viewers. Because it is a destination for *South Park*, it’s unlikely that people would go there and not expect to see *South Park* Content. Still, people can discover the show from clips embedded on blogs and social networks and the site links from Hulu and Comedy Central’s website.

Of course, these types of activities are not fixed to certain types of viewers. Subcultural viewers can impress other members of the SPS community with their mash-ups. Incidental viewers can stumble across embedded video on their friend’s social networks. These are just examples of some of the ways SPS appeals to viewers.
Take-Aways

What follows are the main points we can take away from these case studies.

1. **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, as we saw in the case of *Gossip Girl*.

2. **When duplicate content isn’t available legally online, people will find another way to watch that content online.** And it obviously won’t be legal. As Henry Jenkins has noted “Piracy often reflects market failures on the part of producers rather than moral failures on the part of consumers.” In the cases of *It’s Always Sunny* and *Gossip Girl* when content was removed from legal channels, viewers turned to illegal channels to get the content.

3. **Online viewing functions in the moral economy.** 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.

4. **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.**

Conclusion

Throughout this paper, we’ve explored the changing television landscape. Television is changing from a distribution standpoint: the scarcity that rules linear, broadcast distribution doesn’t work as a strategy in the online space where viewers expect content to be plentiful and available. Worries about online content cannibalizing syndication and DVD markets are unwarranted because online viewers are not necessarily inclined to watch a show on television. As we saw with the examples of *It’s Always Sunny in Philadelphia* and *Gossip Girl*, removing content online drives viewers to piracy rather than to linear viewing. As *South Park Studios* demonstrates, a show can be plentiful and available online while still maintaining profitable DVD and syndication sales.

Networks can use the expectation of plenitude to attract viewers who go online to catch-up, re-watch, and discover new content. Even further, networks can use both duplicate and supplementary content to cater to the four categories of viewership we’ve outlined:

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56 Jenkins, “How Susan Spread and What It Means.”
Though all these types of viewership represent different behavior, it’s important to remember that content can function in different ways for different people. By making duplicate and supplementary content available and plentiful, networks can maximize the value programs have for audiences looking for various types of interaction.

To further encourage engagement, networks should adopt models that employ both ‘push’ and ‘pull’ strategies. CNN had success with its live web stream of the Obama inauguration because they paired with Facebook, effectively pulling Facebook users to CNN’s content rather than simply pushing that content into the broadcast space. As we saw with Susan Boyle, the audience also works as a content distributor in a spreadable media environment: in that case, millions of people saw that clip as it spread through social networks even though the clip was never broadcast in the US.

Television may still be the dominant media in America, but the online space gives content providers a chance to target their content to specific modes of viewing. Appealing to online viewers can foster brand engagement across platforms and enhance opportunities for successful targeted advertising. A strategy that understands viewers across broadcast and online spaces is essential for succeeding in the reconfigured online/broadcast television space.
Works Cited


