Fandemonium
A Tag Team Approach to Enabling and Mobilizing Fans

Sam Ford
with Dr. Henry Jenkins and Dr. Joshua Green
Executive Summary

The behavior of tape-trading pro wrestling fans provides a useful case study to further understand fan proselytizing and archiving. These activities are key ways fans grow media properties and brands. The model of proselytism explored here builds on theories we have previously written about in the ethnography of a Boston-area college residence hall, “No Room for Pack Rats: Media Consumption and the College Dorm.” That study examines the pivotal role sharing media plays in recruiting new fans, exploring the way the most active fans that stockpile and share content often see themselves as ambassadors for the product.

For decades, professional wrestling has been surrounded by a group of ardent fans seeking deeper engagement than just watching the weekly television show or going to the local arena. In earlier years, these more active fans formed social links across the country to trade news about the wrestling shows from their “territory,” at a time when each region of the country had its own dominant wrestling promoter and roster of stars. The VCR drastically changed the way these social links operated. Instead of trading results and accounts of wrestling from their territory, fans started trading tapes, enabling the most involved fans to see not only their local stars but also the most popular wrestlers from around the US and even the world. Fans began archiving weekly shows, sharing the footage with new fans they met and cataloging footage before many promoters realized the value of old content.

This case study builds on recommendations media companies identify, legitimize, and empower fan proselytism. In addition, this study looks at the value content holders, advertisers, and networks can derive from activating fan desires for content from archives. It explores the way World Wrestling Entertainment used long tail economics to monetize fan desires for wrestling content.

The study will provide insights into why fans trade copyrighted material and how all aspects of the media industry could learn from the more benevolent aspects of these activities, even while prosecuting blatant media piracy. Further, this case study examines how content providers could balance monetizing content from the archives with continuing to allow fans the autonomy to use that content to recruit new fans and deepen others’ relationships with the media property.

Similar to the ways fan behaviors foreshadowed a US media market for anime, pro wrestling fans realized the benefit of the archive long before wrestling promoters. Now, the company’s desire to monetize the archives and the fans’ desire to share content has created a precarious balance among fan proselytizers, blatant piracy, new video sharing technologies, and a long tail business model. The WWE’s purchase of various archives and the continued persistence of video trading provide a lens on the changing relationship between companies and active fans in convergence culture.

This case study will examine:

1.) **The roots of tape trading in pre-VCR fan behaviors.** Fans created social networks through fan clubs and newsletters to share results and discuss events taking place across territories.

2.) **The rise of tape trading as a bartering activity.** Fans who already knew each other through these social networks provided weekly wrestling shows for their national and international contacts.

3.) **The business plan of the Wrestling Observer Newsletter,** where one wrestling fan and professional journalist took advantage of the social network to create a central source for pro wrestling events across the country.

4.) **The tensions between fan traders and increasing professional traders** who would provide content to those still building collections and sell compilations to those who had nothing new to offer.

5.) **The ways in which the WWE has monitored the interests of tape traders** and bought up the archives of now-defunct wrestling promoters, selling them via DVD and video-on-demand, starting with its purchase of rival Turner organization World Championship Wrestling in 2001.

6.) **The continued existence of wrestling tape traders** and how the behaviors have changed now the WWE offers official content from the archives on a more regular basis.
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Created for MIT Convergence Culture Consortium
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Wrestling Fans Form Social Networks

Key Points

- Fans will create social relationships around their favorite media texts, even when no official platform exists for these communities.

- Dedicated fans are interested in more detailed information about their favorite media forms and will seek that news through their collective intelligence when no official source is available.

- These fan behaviors often foreshadow future directions of the media property, even when producers do not initially realize it.

The social networks that formed the groundwork for tape trading developed out of the behaviors of fans unsatisfied with only knowing about their regional wrestling promotion. These fans were ill served by the pro wrestling press, which drew its information from wrestling promoters and often presented outdated, inaccurate, or incomplete stories on what was happening in each region as a result. Because many of the magazines that reported on wrestling during the regional era of televised wrestling, from the 1950s until the mid-1980s, ran on limited budgets with a staff located in one particular geographic area (often New York), the most dedicated fans were left wanting much more information.

Prior to the rise of cable television in the 1980s, pro wrestling was divided geographically, with one major promoter in each territory who aired weekly shows on a local television affiliate. While most popular spectator sports created a local franchise that would play against other teams around the nation, pro wrestling promotions did not regularly advertise inter-promotional matches, Rather, the intent of the regional divisions was to give each promoter complete control of a certain territory and for the group of promoters as a whole to work together to retain their control over each area. The World Wide Wrestling Federation (precursor to the WWE) ran Boston, New York City, and Washington DC; the American Wrestling Association ran Minnesota and surrounding areas. Significant other wrestling territories in America included Detroit, Portland, San Francisco, Los Angeles, Dallas, Amarillo, Houston, Georgia, Florida, the Carolinas, Mid-South, Gulf Coast, Central States, Memphis, Nashville, St. Louis, and Indianapolis. Wrestling troupes toured from region to region, and fans were encouraged to see the stars in person as the wrestling troupe toured their territory each week. Since wrestlers traveled among the territories, fans wanted to know the history of characters from “faraway lands” so they would be prepared if and when they finally showed up in the local area.

Fans gathered details on wrestlers from weekly scorecards and trade accounts of the matches in their territory. One of the most popular of these newsletter writers in the 1960s was San Franciscan Burt Ray, followed by Illinois native Ronald Dobratz. Dobratz was considered the leading pro wrestling writer among ardent fans in the early 1970s, and his Wrestling Information Bulletin and Illustrated Wrestling Digest the most trusted publication. According to Dave Meltzer, a professional journalist who has published The Wrestling Observer Newsletter since the 1970s, these newsletters “would have results of hundreds of
wrestling shows every month along with news from the various territories and there was nothing in the business in those days even close to them. The early issues were mimeographed, and later issues were professionally printed.”

Due to their mode of production, these newsletters may have only reached the most active fans. Their influence spread beyond their circulation, however, as those fans were the local experts in each territory who helped educate and even promote local wrestling shows to the more casual fan base around them. Fans desiring more than just match results would often trade copies of the actual programs from arena shows. These would include match listings and pictures of wrestlers. Newspaper clippings promoting upcoming shows were passed around, as well as audiotapecs of matches recorded in the arena. Fans provided their own live commentary for the wrestling matches to dub and send to their fellow fans.

These amateur-produced materials have proved invaluable in the writing of wrestling’s history. Meltzer, an active teenage wrestling fan in the 1970s, grew up in California trading all of these types of information, experiencing matches in Madison Square Garden remotely. Remote experience is not exceptional in a broadcast or post-broadcast era; wrestling provides a good example of the ways in which fans construct networks to make up for the absence of mainstream media coverage. Sociologist Jim Freedman discusses this behavior, describing the role played by Toronto wrestling fan Terry Dart:

He kept in touch by phone with a network of fans in different cities collecting information from one territory to pass it on to others. Toronto, Buffalo, Cleveland and Detroit…. he knew fans in each of these, and fans there knew fans in St. Louis and New Orleans, Minnesota and the Carolinas.

**BOTTOM LINE:** The social networks that rose up surrounding fan newsletters provided the infrastructure for tape trading communities, and many of the relationships formed around these wrestling results led to personal friendships that transcended the media property. Thus, wrestling content became a facilitator to meet new friends from around the country, with the types of relationships that would later be facilitated by the Internet. While only the most active wrestling fans participated in these newsletters, they became a resource and an activator for more casual fans in the arena. Through this activity, fans make up for the deficit of services provided by mainstream media. These energies build networks that may be seen as un-profitable for large media outlets, but they can lay the groundwork for profitable networks in the future.
The Impact of the VCR

Key Points

- Archiving technologies have profound social implications for active fans, who use these media texts to share with others in the fan community.
- Fan video collections are often important resources that enable fan proselytizing, both to seek new fans and to deepen the engagement of casual fans with a media property.
- The ability to rewatch and compare video texts fundamentally alters the relationship viewers have with that text, versus a model of ephemeral content aired once and never seen again.
- Fans often realize the long-term value of content that media producers originally see as promotional material.

The rise of consumer recording technologies enabled new ways for social links to be formed around wrestling texts. Prior to the rise of the VCR, fans could congregate together to watch television, talk about a show on the telephone while it was on, or discuss content after the fact. Providing fans with a way to archive content and then share it with others transformed the object of television, greatly increasing a fan’s ability as a proselytizer. Rather than just spreading word-of-mouth, there is now evidence to promote the content fans cared enough about to archive. Many fans started amassing collections with the intent of sharing them with others. As the previous study on fan consumption in dorm rooms emphasized:

Human beings have an inherent desire to share pleasures and knowledge, and this sometimes drives a fervor to promote one’s favorite media content, stretching beyond occasional advocacy to become proselytizing. This proselytizing can be accomplished either through direct address, or, as with religious practice, by allowing one’s own life to serve as an example of consuming and enjoying media.\(^5\)

The VCR put a new tool in the hands of the proselytizers, allowing them to share the actual show rather than reports about the content. One student in the dorm study, provided a contemporary example of the reason fans enjoy sharing this content. James, a student who lived in the dorm, said that, when he gives music to someone else, “I get to hear it for the first time again, vicariously, through them.”\(^6\) For wrestling fans, the tape archive served both as a way to provide resources to newer fans they met and to give footage not available to fans in different parts of the country. Through tape collections, these fans gained special “expert” status within the community, and their social status among other wrestling fans became tied to the size of their collection.

The Rise of Tape Trading and Fan Criticism

At the beginning of the 1980s, as the VCR became more prevalent, a group of 15 to 20 tape traders formed through the most active of the national information traders. Experts in their local area, these fans networked with the experts in each region to start trading footage from the weekly shows of every territory. One of these expert fans, Meltzer argues the ability to trade tapes meant wrestlers from other territories felt local to fans for the first time. Because fans could now watch these wrestlers firsthand, news, results and reputations made sense:

I could understand the news and results now because I knew what other territories’ television shows looked like… Before, when I got results, I knew Fritz Von Erich beat Johnny Valentine, and I knew
they were big stars, but I didn’t understand the context of their feud, whether a guy was really a good worker, but just knew who the wins and losses were and who was on top of the card.\textsuperscript{7}

For these most active fans, as Meltzer indicates, tape trading brought with it the ability to evaluate the quality of performances. Prior to the VCR, fans treated pro wrestling shows as if they were legitimate sports—trading results, stats and match programs. With the VHS tape, wrestling fans could start evaluating wrestling as performance art, comparing the wrestling ability (or “workrate”) of wrestlers from across the country rather than their character’s success in winning. This encouraged a different mode of interaction with the property. Ironically, it would seem that recognizing the artifice of the sport enabled fans to become engaged in the sporting feats that underscored the drama.

Although only a narrow group of fans participated in this trade, the impact of tape trading on the professional wrestling world was significant. As a precursor to the cable television era, the most ardent wrestling fans became more interested than ever in stars from other parts of the country, comparing them to their own local wrestlers. Essentially nationalizing the sport before the introduction of a formal national network for distributing content (cable or satellite), tape traders helped set the stage for the eventual expansion of wrestling to the national stage through cable television. Tape traders were lead users, encouraging deepened engagement with wrestling as a form of sports/entertainment that existed beyond their local arena and providing more information to less engaged fans. These behaviors helped set the stage for national wrestling organizations in the mid-1980s. Since this dedicated group of fans knew the top wrestlers in every territory, they were well-placed as experts to help guide less involved fans through all the new faces who appeared on the national wrestling shows from other places.

**Reaction of the Promoters**

Regional wrestling promoters were initially angered by fans who read underground newsletters because they felt it helped “expose” the business of wrestling – underground newsletters revealed, for instance, that promoters basically put on the same show from town to town. On the other hand, many promoters were amused to find with the commencement of tape trading that fans would watch their local shows from across the country. Some of the promoters would brag about this on the air. However, the intent of these programs was still to promote live arena shows, so there was no way for promoters to immediately profit from the more widespread interest in their programs. Fans who couldn’t regularly buy seats in their local arenas were of no direct use to these promoters.

Despite the indication there may be a national audience for their programming, many regional promoters continued reusing videotape, recording over one week’s show with the next, or else airing live-to-air from the studio. Television was an “ahistorical” medium for much of its early life, and this practice was widespread across the industry until the cost of videotape reduced dramatically in the late 1970s. Some promoters, however, began to realize there may be future value in retaining their shows and building tape archives. Many are now licensing the DVD rights to historical wrestling programming, selling the content to the WWE or other interested buyers. In territories where promoters were more shortsighted, the archives that are now being drawn upon come from fan communities. As archivists, fans frequently undertake activities the industry sees as uneconomic; as a result, the available footage of some wrestling territories draw far more from the fan community than is available in the official archive.

**BOTTOM LINE:** With the introduction of the VCR a very small percentage of the national pro wrestling audience had a significant impact on the industry. Fans created national awareness of regional pro wrestling shows, evaluating matches based on performance rather than who won and who lost, and archiving content when promoters didn’t perceive the lasting value of the wrestling shows.
A Successful Business Model: The Wrestling Observer Newsletter

Key Points

• Ancillary businesses that develop around a media property may often be viewed as parasites within that industry, but these products often help deepen fan engagement with the main text and thus add value back to the main property as well.

• Increasing the depth of engagement among active fans helps enable fan proselytizing.

• Cultivating a greater number of fan proselytizers not only creates the opportunity to gain more overall fans but also to move more fans from passive engagement to active engagement with a media property.

• The Internet has greatly amplified active fan behaviors that originally existed through interpersonal ties that were more difficult to maintain.

As a journalism student at San Jose State University and on the staff of the Oakland Tribune, Dave Meltzer decided to start the Wrestling Observer Newsletter as a hobby and a way to stay in touch with other wrestling fans. As opposed to the newsletters of previous generations which compiled arena results, Meltzer’s newsletter would be informed by the tape trading culture he had become a pivotal part of. Ultimately, the newsletter became the first in wrestling to gain enough widespread popularity it became a business of its own, transcending its status as a fan-driven, amateur activity.

Meltzer started compiling tapes in 1980 from various territories, including tapes from friends in Japan. Since Meltzer was receiving so many tapes and then writing about what he was seeing from various territories for many of his friends, he decided to consolidate his energies, write one central newsletter based on his viewing of all the different shows to distribute among the wider wrestling community.

Meltzer said in a 1991 interview that his college classmates thought he would be able to provide them with more information about what was happening in professional wrestling than regional newsletters. Eventually, he also realized there was a much wider audience of wrestling fans he could market to. This audience was comprised of fans not driven enough to be among the couple dozen fans who actively traded tapes across the country, but they were interested enough they would have liked information provided to them if there was a source. This was the audience Meltzer decided to target—college-age wrestling fans looking for a source to provide them with information about wrestling around the country.

Spreading the Behavior of Active Fans to Widen the Fan Community

By the beginning of 1987, Meltzer had stopped working as a journalist altogether and was entirely self-employed by the Observer. The newsletter had now expanded on the small tape trading community to thousands of subscribers. In the process, the newsletter encouraged a larger fan base to engage even more deeply with pro wrestling content. In the process, Meltzer helped spread the behaviors of that tape trading community from the lead adopters to the larger active wrestling fandom. This created a snowball effect among the fan community as well because these these thousands of Wrestling Observer subscribers could all now be considered fan “experts,” who would all work to draw more casual fans into more active viewership through their proselytizing.

Wrestling promoters had been intimidated by the original newsletters and amused by the tape traders, but promoters were particularly intimidated by The
Wrestling Observer and similar publications. The Observer created a larger interest in backstage politics and a wider number of knowledgeable wrestling fans who could now have information comparing wrestling performances all over the world. Even though promoters did not like having the curtain lifted to these active fans, The Observer became a popular publication not just among avid fans but in wrestling dressing rooms as well.

The Internet as Amplifier — How the Industry Capitalizes on Active Fan Base

As the Internet grew in popularity, the Wrestling Observer crowd grew even greater in number. A number of “news” sites cropped up where Observer subscribers ripped some of its stories onto their own sites. True to the expert paradigm, the Observer had become a reliable, authoritative source for news aggregators. In the process, the more active involvement of the newsletter readers spread to a number of Internet fans who became interested in the backstage politics and international happenings of the pro wrestling world. By the boom in wrestling popularity that started around 1996, the behaviors of the initial 20 or so tape traders had increased exponentially, as the ways in which Dave Meltzer and others analyzed pro wrestling became a staple of how wrestling was covered on the Internet.

While the Observer has maintained 6,000 or so readers consistently for several years, the number of people who end up reading news from that newsletter or who follow wrestling on more than a casual basis is much larger, proliferated through online fan communities. Meanwhile, as a greater number of wrestling fans become more deeply engaged with wrestling shows, the WWE has found new ways to engage those fans. For instance, in 1995, World Wrestling Entertainment increased their number of Pay-Per-View (PPV) matches from five to 12. WWE has managed to get the same fan group to purchase an increasing number of ancillary products, including books, a growing DVD line, and many other products that emphasize the behaviors encouraged by this once very underground segment of the wrestling industry.

In other words, while the WWE has often resented how vocal these most active fans can be, especially now that the number of its active fan base has expanded, the company has also incorporated new business philosophies to deepen its relationship with these fans through new products and experiences. The WWE’s popularity has dropped since its peak at the beginning of the decade, but the company has kept the bottom line strong by increasing the revenue streams from its most active fan base. There can be drawbacks from fans gaining increasing access to news about what happens backstage. However, media companies should realize that, in an age of collective intelligence with an increasing number of platforms to share that news, quashing interest in these news and rumors is not possible. Rather, companies should find ways in which to capitalize on that fan interest for more information.

**BOTTOM LINE:** Amplified through The Wrestling Observer Newsletter and later the Internet, the number of active wrestling fans has expanded. The fact that these fans act as proselytizers and local experts for more passive fans mean that WWE has been able to create new products based on these fan behaviors, even if the company often does not know how to respond to this more active fan base. In the process, WWE has made more money from these involved fans and thus weathered storms of flagging interest, while Dave Meltzer has created a niche business model of his own with The Wrestling Observer.
Tape Trading vs. Tape Selling

Key Points

• Interest in Long Tail content drives new business models both for archived content and for a greater depth of independently produced content as well.

• The Internet provides a distribution model that allows small businesses to launch initially on the fringes of a media environment and then move slowly into the mainstream.

• Many of these small businesses, even as they reach greater prominence, are meant to remain niche.

The growing number of knowledgeable fans through the popularization of *The Wrestling Observer* and the expansion of those behaviors through the Internet, created new business models for others as well. While tape-trading fans shared content because of common interests, groups of tape collectors arose who sought to collect as much footage as possible and sell this material as compilations through an Internet or catalogue-based distribution company. Some of these distribution outfits were more reputable than others, and copyright violations were rampant, especially among the less reputable tape collector groups. Fans would pay high prices for tapes that would arrive dubbed on regular VHS tapes and featuring footage several generations removed (in both time and number of copies) from high-quality video, but the collectors who purchased from these tape sellers were happy to find a copy of this wrestling at all, considering most of it was not commercially available.

The most well known and legitimate of these operations was RF Video, a company created by Rob Feinstein, Doug Gentry, and Gabe Sapolsky in the mid-1990s. The company started by selling bootleg tapes, as many other “darknet” tape traders were doing, through the Internet and fan connections. RF Video soon established a market for the small local wrestling organizations around the country to sell “official” videos, many of them hand-recorded videos from fans in the crowd. RF also became an outlet for footage from international wrestling markets, principally Japan.

By linking up with Philadelphia-based independent wrestling organization Extreme Championship Wrestling, RF Video became a distributor for the wrestling “indy scene.” Capitalizing on the tape trading markets of the pre-Internet age, RF Video developed a following among fans who wanted to see contemporary alternatives to the WWE and Turner-based WCW. According to Meltzer:

In the 1980s, a couple of people were dubbing these tapes like I did for friends. Feinstein would have 30 copies and would dub for people, and companies would mass market their shows through him.

The Internet enabled monetized tape trading, just as it amplified the “insider” behaviors of *Observer* subscribers. ECW became a nationally recognized...
organization thanks to its popularity among Internet communities and the distribution of RF Video. This popularity resulted in the organization eventually landing a TV deal on TNN before closing in 2001. The economics of archive trading has allowed small-scale organizations such as ECW to turn profits.

Philadelphia-based Ring of Honor is a similar small-scale organization making money almost exclusively through tape-trading models. Created in 2002 and initially aligned with RF Video, Ring of Honor does not have a television show, nor does it tour the country on a full-time basis. Rather, Ring of Honor holds cards that are taped and distributed via the Internet and increasingly in some major retailers’ pro wrestling DVD sections. The tape trading community remains the backbone for the success of ROH, and the average wrestling fan has never heard of them. However, the company’s popularity on an underground level has allowed tours to England, merchandise sales, and a profitable DVD distribution business. In May 2007, ROH announced that it would start offering taped PPV events for $9.95 to $14.95 every two months to get new fans and continue to drive sales of their biggest shows on DVD.

**Bottom Line:** Where there is fan activity, there is opportunity. Regional “indy” organizations like Extreme Championship Wrestling and Ring of Honor have gained international followings and established lasting brands solely through their popularity in the fan community and the proselytizing of those most active fans. Tape sellers, both legitimate and illegitimate, have created business models around tape trading behaviors.
**WWE’s Growing Wrestling Archive**

**Key Points**

- Branded VOD channels provide a powerful new resource for distributing niche content.
- The barriers for purchasing and preparing content for digital distribution may be large, but this content can be distributed across multiple platforms and has the ability to continue making money long after costs are recouped.
- Monetizing archived content is driven by the ability to provide context and meaning around that content.
- The popularity of archived content may eventually lead to resurrecting old brands and media properties.

The WWE purchased the WCW library and intellectual property for $2.5 million in 2001 after AOL Time-Warner decided to no longer air wrestling on their networks.\(^{19}\) Since that time, the company has taken an increasing interest in finding ways to monetize this interest in wrestling tapes and has created new positions focused on acquiring, digitizing, and distributing footage from tape libraries.\(^{20}\)

Throughout 2002, WWE acquired the tape library and intellectual property of cult-turned-mainstream ECW, after the organization went bankrupt.\(^{21}\) WWE’s bid for the ECW estate was $1.3 million, with the videotapes themselves costing $243,000.\(^{22}\) After acquiring intellectual properties, settling all the creditor disputes for the ECW estate and other legal challenges, the WWE filed an expense of $3 million for acquiring the assets and the film library of ECW with the Securities and Exchange Commission.\(^{23}\)

During this process, the WWE began talking about creating an outlet to distribute this footage and even resurrecting the ECW brand, a prospect first suggested by Vince McMahon to investors in Fall 2002.\(^{24}\) Initial plans were for a 24-hour wrestling channel. By late 2002, they were negotiating for the old Mid-South and AWA wrestling collections and expressed interest in the Florida wrestling collection in early 2003.\(^{25}\)

At this time, WWE created a new position to oversee the growing video archive for Tom Barreca, who had previously worked with cartoon archives and tape traders for Hanna-Barbera.\(^{26}\) The philosophy of this new archival initiative, according to Barreca, was that new models were arising for Long Tail content even if the market had dictated there was no commercial interest in wrestling archives based on shelf space, especially with the decline of idiosyncratic mom and pop buyers.\(^{27}\) The company backed off its original interest in a linear cable channel because the financial risks in launching a traditional channel were too significant,\(^{28}\) but the WWE soon began talks, first with DirecTV, for a video-on-demand service to distribute content.\(^{29}\) The company decided that, given its track record in PPV with cable service providers, a monthly subscription model for the 24/7 project might be most valuable. The subscription model fit into existing cable billing structure, and a subscription model would make dividing profits between cable companies and the WWE. Further, because most service providers were looking to launch branded content for VOD, the company felt a VOD channel could fill an industry need.\(^{30}\)
The WWE faced a series of challenges in preparing its archives for distribution, however. The cost and time of digitizing and editing tape collections were massive on their own, and the company had to sink massive resources into preparing these archives before any finalized product could be released. In addition, a lawsuit between the World Wildlife Fund and the WWE led to the name change from “WWF,” and the company than had to edit out all of the audio references to its old initials and visual references to some versions of its old logo. If its own archives did not provide enough problems, the WWE also had to worry about music rights in the archives of each new collection it purchased, especially since many other promoters had never worried about redistribution of the wrestling footage and had never secured rights to the music used on these programs. Nevertheless, the financial benefits of a wrestling archive were believed to be significant enough to invest in overcoming these initial barriers. As Barreca pointed out, much of the content in the WWE’s archives had drawn among the top Nielsen ratings on cable television in its original airing and then “never saw the light of day again,” meaning that there was likely still a significant audience interested in seeing that content again.

By September 2003, the WWE had officially announced the purchase of the AWA tape library, a wrestling organization that ran from the 1960s to the beginning of the 1990s based in Minnesota for a cost of $1 million. AWA at one time provided content for ESPN. By November, the WWE announced publicly eventual plans for a video-on-demand channel for the WWE, WCW, ECW and AWA tape collections and announced the purchase of regional promotion Smoky Mountain Wrestling’s tape library in Spring 2004. The SMW tape library was estimated to have cost about $710,000, and the total cost of the library acquisitions at this point was listed as almost $4.8 million, with an additional $2.7 million for IP.

Soon, rumors were swirling that WWE had approached the owners of the Dallas, St. Louis, and Puerto Rico wrestling libraries. The Florida tape library was purchased in March 2006 for approximately $1 million, followed by the Calgary, Dallas, and Ohio Valley Wrestling tape collections later that summer. Although the prices for the latter collections were not officially released, the WWE announced it had spent a total of approximately $1.6 million in purchasing film libraries since the purchase of the Florida collection.

The WWE paid the rate of $400 to $500 an hour for its latest tape libraries, according to Dave Meltzer. The value of remaining independent wrestling collections rises as WWE purchased more content, but the market for fans who remember these archives continuously drops over time. In the WWE’s case, however, significant energy has focused on contextualizing these archives through “best of” collections and the WWE Hall of Fame to give this footage meaning to a new generation of fans as well.

**WWE 24/7 On Demand**

While in the process of acquiring all these tape libraries, the business plan was released in Spring 2004. By this time, the WWE announced a VOD service for what was, by then, a “75,000-hour tape library.” The subscription service, called WWE 24/7 On Demand, would release 20 hours of content each month, initially available free and then on a $6-to-$9-per-month subscription model, shared 50/50 with the cable distributor. The content would be themed, with certain performers highlighted and content packaged around them in a particular month, as well as a theme for the month as
a whole, such as “Monsters of the Mat” for Halloween or “Classic Tag Teams.” The material would be serialized as well, with WWE offering weekly installments of old wrestling shows in order as well.

The VOD channel was initially launched on a trial basis in Pennsylvania in late 2004 with Blue Ridge Cable and was later expanded to Sunflower in the Midwest and other independents. Most of 2005 was spent trying to get clearance in various parts of the country, including the active recruitment of WWE fans to urge cable companies to add 24/7. The company got clearance onto Cox and Insight, as well as RCN. By February 2006, with the extension of the service into Rogers Cable in Toronto, WWE CEO Linda McMahon said that in all the US markets that currently had 24/7 available, the number had increased every month so far. Further, the company had hired its own 12-person department to market the service and WWE pay-per-view events directly, canceling their previous deal with third-party Team Services. In order to develop 24/7 and other ongoing VOD properties, though, the company needed to be able to directly represent itself. “In the absence of leverage, all we have to fall back on are relationships, and we don’t have those relationships because they were ceded to third parties,” Barreca said. “We want to find the business that will make this library viable on the one hand, which is our primary objective, but we also need to develop relationships with these guys at the same time.”

By July 2006, while still lacking clearance in several markets, WWE 24/7 On Demand had 13,000 subscribers, indicating moderate interest but that the service did not appeal to all WWE fans by far. Later that month, when Comcast cleared WWE 24/7, the service had cleared five of the 10 biggest multiple system. WWE later emphasized that, after the Comcast clearance, the service was available in 15 million of the country’s 30 million digital homes. By the end of the year, the company had officially received clearance with Cablevision as well. The company has also announced a Spanish-language version of WWE 24/7.

Barreca has explained the challenges of translating content to digital form, particularly in a format that is good enough to air for content that was not well preserved by the groups that held the physical collections on a shelf for years:

We do our best to not really change it. In most instances, some of the stuff, particularly as we’ve been acquiring older libraries on film, we end up having to do restoration work. We end up having to go in and clean it up, take some noise out. Generally, we’re trying to stay as true as we possibly can given the confines of legal limits.

While WWE had already converted all its archives to digi-beta before Barreca ever came in, some of the other collections were not as well kept. “We were walking through barns at 100-degree temperatures” looking at some collections, he said. The various sound and visual edits that have to be made to many of these tapes has led to a lot of extra work on the front end of the project but with ramifications that could lead to substantial “Long Tail” profitability.

**Expanding Use of the Tape Library**

The eventual plan was to branch over promotion for WWE 24/7 On Demand by featuring “legends” on the contemporary WWE shows, as well as transmedia extensions which would include a substantial increase in DVD releases and books featuring stars from the past, a restored emphasis on the WWE Hall of Fame, and other ventures designed to help drive interest in the WWE tape library. Legends were signed to new talent contracts to help promote 24/7 and to release WWE wrestling figures and other memorabilia with
their images, with $10,000 short-term deals, and the company began releasing DVDs such as *The Rise and Fall of ECW* and “best of” collections of its wrestlers, featuring matches from various organizations the company now had the rights to. By Spring 2005, the WWE had 30 former wrestlers signed to merchandising contracts, with plans for increased DVD and merchandise runs alongside the developing 24/7 On Demand channel, now expanded to at least 60 former wrestlers. Meanwhile, WWE then claimed ownership of any images, likenesses, slogans, or names of wrestling moves that began in one of the organizations they had purchased the intellectual property of. As the media industry as a whole was undergoing an ongoing process of merging, the WWE’s new initiatives were enabled by the company’s own nationalization and eventual conglomeration.

As subscriptions to 24/7 and clearance for the VOD continues to grow, the company has started to realize further benefits of the backlog of footage once digitized and edited. In the past two years, a wide range of DVD releases based on particular storylines or characters have used the recently acquired footage. Many of these rank among the top-selling WWE items of all time, regularly appearing throughout the top selling sports DVDs, where WWE releases are categorized. Content originally digitized for 24/7 has been used afterward for DVD content as well, and plans are to release DVDs in the future based directly on content packages originally prepared for 24/7.

The plan has been to use these DVDs, books, and other merchandise surrounding the 24/7 tape library to try and reached the company’s “lapsed fans,” with the belief that bringing back and marketing former characters would help draw former fans into the contemporary product, while also getting current fans interested in the company’s past.

The WWE began inducting wrestlers into its Hall of Fame representing companies that WWE now owned the intellectual rights to, even if those wrestlers had never appeared in the WWE. Various wrestling legends were brought back onto the show on a more regular basis to wrestle or to make an appearance of some sort, so that many weeks of WWE programming will regularly feature a face from wrestling’s past.

WWE 24/7 On Demand has started airing original programming, not only featuring commentary and stories surrounding the old content they are running, but an original series featuring wrestling legends having a roundtable discussion about some of the most famous personalities in pro wrestling history. In addition to the Legends series, footage from the library is being repurposed to produce a one-hour WWE Classic show for international syndication, and footage from old Madison Square Garden shows have also been repackaged for the MSG Network as *Madison Square Garden Classics*. Some videos from the archive are made available through WWE’s Web site or the Web site for 24/7, and content from the archive is often given as add-on value for those who purchase pay-per-view events through WWE’s online video service. The company’s plan is that, once digitized, the video library should be used in as many areas as possible to maximize profits on the IP and videos the company has purchased.
Context

The company’s philosophy regarding its repackaging of content from the archive is that much of the value comes in the way that historical footage is contextualized. The WWE has used its 24/7 service as a reason to organize and digitize the content, making some of that content available even as the company continues going through the footage. Barreca said that the company is “building a repackaged library that can take advantage of the Long Tail over time,” providing a chance for older viewers from a previous generation to introduce the content from their childhood to a new generation of fans with the proper context around them.59

These contextual packages are important for WWE programming in particular because the live-ness of the show often plays off current events that may not be easy to understand in retrospect. Barreca said he believes the value and the role of metadata will transform the scope of the WWE’s archive over time.60 The company first started the process of cataloguing by bringing in fans to watch old wrestling footage to identify the characters and performers, storylines, and significance of the footage. The goal was to create portable data tables that would form a searchable, tagged database so that the information would not be lost “when Google will work on your television” which will be most significant for VOD models.61 The WWE’s advantage is that wrestling shows provide not only a two-hour weekly narrative but also “10 little shows” within each of those narratives, with each match forming its own story. In that way, material can be tagged and packaged not only by the original show it appeared on but also by the wrestlers involved in the matches, the type of match it is, and by the feud or storyline the match played a part in.

Resurrecting a Brand

Perhaps the most profitable venture for WWE thus far has been resurrecting the ECW brand, first with a DVD of the company’s history based on the tape archives and then with a series of two reunion PPV events that led to a resurrection of ECW as an active brand, with a new television deal with Sci Fi Network in 2006. In June 2005 and 2006, the ECW One Night Stand PPV events were successful, as well as their later DVD releases, in bringing back former fans of the brand. WWE has then extended that interest into a new version of ECW, featuring some of the original performers as well as many new performers. The new version of ECW has its own PPV events, in addition to its weekly television show, and acts as a minor league for the company’s major RAW and Smackdown shows.

By adding a new television show on a new network to its schedule, a new roster of talent to fill those ECW shows, new PPV events, and new merchandising and revenue streams based on historical and contemporary versions of the WWE brand, the company has already received a return on its investment in the ECW intellectual properties and tape libraries. By continuing to release compilations of old ECW footage on DVD multiple times a year, and by continuing to make ECW footage a mainstay on its 24/7 VOD service, as well as the “new” ECW, the company stands to make continued profits for the foreseeable future by expanding its tape archive.

BOTTOM LINE: By monitoring and capitalizing on continued fan interest in archived content, the WWE has started a digitizing initiative that has not only created a long-term VOD subscription model but a variety of other uses for distributing archived content that will help the company not only make a return on its initial costs to acquire and restore the content but substantial profit in the future. Through DVD releases, the WWE 24/7 On Demand project, and merchandising and ancillary content surrounding the archive, the WWE has found a profitable way to monetize wrestling history.
Tape Trading Continues Around WWE 24/7

Key Points

- Monetizing a fan behavior will not eliminate that fan behavior but rather change the ways in which those behavior operates.

- When fans do not have unfiltered access to a content archive, they will continue sharing relevant content with one another, including through new distribution forms like YouTube.

- Fan sharing should not exclusively be viewed as piracy but can also lead to a deeper engagement with the brand.

- Companies continue to struggle with the benefits of a collaborationist model colliding with a long media history with a prohibitionist model.

WWE may have incorporated responses to tape trading behaviors into its business practices, but the company’s interest in monetizing wrestling archives has not replaced tape trading activities or tape sellers. While sellers are concentrating on non-WWE archives and contemporary “indy level” content, traders continue to seek out backlog content that WWE is not offering at any one time. For instance, fans regularly post on message boards or through Web sites about shows they have missed. Since current WWE shows are not getting a second airing, fans often send each other missed episodes through these fan community networks, with the cost of the DVD and postage as the asking price. These fans often do not know each other but provide those services to each other based on this feeling of community.

While the WWE’s discovery of and marketing for its content archive incorporates aspects of a collaborationist approach, these initiatives also often come into conflict with the company’s dueling “prohibitionist” model. As WWE tries to deal, for instance, with how YouTube sometimes includes fan-recorded content that WWE may not have in its official archive. Reports have surfaced that WWE contacted YouTube asking for content to be pulled that the company didn’t even end up owning the rights to, such as matches from a tape library WWE never ended up purchasing. According to Meltzer, this drive is based on the WWE’s desire to “own everything,” the latest part of the company’s process of conglomeration.

Nevertheless, in relation to YouTube, the company had to balance its potential as a promotional medium and potential commercial revenue with legitimate concerns about intellectual property. A substantial amount of the content available on YouTube is WWE footage not available on DVD or through WWE 24/7 On Demand. Clips from DVDs usually only whet the appetite of users who get to see a few minutes of the DVD quoted that they can then spread virally. This does not diminish the real concerns media producers have about the blatant sharing of content in whole that is made available commercially through DVD and on-demand platforms, but the proselytizing value of these tape traders should be kept in mind as well. Media companies must find a way to balance the blatant ‘piracy’ of their archives with fan-generated promotion of that archive. This is a struggle between collaborative and prohibitionist models that seems destined to persist for some time longer.

**BOTTOM LINE:** Tape trading behaviors persist around the WWE’s growing archives, and the company must find a way to balance serving its active fan base with a monetized version of the archive while also respecting the fans’ perceived right to continue archiving and sharing content on their own.
Recommendations

In conclusion, this case study emphasizes the following takeaway points:

- The social networks that originally rose up around fan newsletters created a precursor to video trading, with a group of dedicated fans who became resources in their regional “home arenas” and a social network built around the wrestling shows. As journalists, retailers, and promoters further catered to the more active fans, these behaviors drove significant new revenue streams.

- While the original number of tape traders were a small number of lead users, these active fans fostered a new way of looking at media content that foreshadowed future business models and affected the way more casual fans came to view and enjoy the wrestling product.

- Dave Meltzer’s *Wrestling Observer Newsletter* provided a service that both created a viable way to make money from the most dedicated fans in the wrestling fan community while expanding that community exponentially, shifting the entire WWE fan base toward a more active engagement with the product, particularly through the amplification of the Internet.

- New businesses developed catering to this growing number of active and knowledgeable fans, including tape selling companies and indy-level wrestling organizations that found national distribution only through these most dedicated fans that eventually translated into more national distribution through DVD sales or, in the case of ECW, a cable television deal.

- The WWE, even during downturns in its popularity, has been able to maintain an impressive bottom line by continuing to cater to these active fans with a variety of new content streams, particularly by collecting and monetizing various wrestling tape libraries and finding an increasing number of ways to repackage and recontextualize their content.

- Tape trading persists despite WWE’s new ventures exploiting the archives, and the company has to find a way to empower fans to continue engaging with the archive and trading content, despite the intellectual property issues that freedom raises.

What potential product extensions does this suggest?

- **Learn from fan behaviors.** The most active fans often indicate an eventual direction the entire fan community will be heading surrounding a media property, and monitoring and learning from these fan behaviors may be key in not just having one’s finger on the pulse of the fans but knowing where the fans are headed and meeting them there. In the WWE’s case, the fan community realized the importance of archived content decades before the company has monetized it, likely leading to substantial lost potential profits during that time lag.
• **Work with your most active fan base.** The behaviors of these fans influence those around them, and the most knowledgeable wrestling fans influenced those around them. As those most involved fans push those surrounding them to become more involved, the community as a whole shifts from a passive to an active engagement, leading to new potential business models to draw more profits from active fans.

• **Don’t be afraid to share in the rewards.** Niche businesses spring up around vibrant new activities, especially those that rise from the grassroots level. Large companies can sometimes get caught up in concerns about having “all of the pie” and lose potential revenue streams in the process. In the WWE’s case, the “dirt sheets,” “tape sellers,” and “indy groups” have been problematic for WWE’s control of the industry but have also enabled some of the very behaviors WWE has capitalized on in new revenue streams.

• **Pay attention to the archives.** The WWE has found ways to establish its video library using a Long Tail model and multiple delivery platforms, including VOD, DVD releases, and transmedia content. The importance placed on contextualizing this content has helped develop a model to monetize content that seemed to lack immediate commercial redistribution otherwise. Other companies could, and should, learn from this model.

• **Take a collaborationist approach.** Fan proselytizing has driven these changes in the wrestling business. Companies have everything to gain from taking a collaborationist approach and developing a stronger understanding of their fan communities.
Endnotes


3 Meltzer, Dave. Personal Interview. 29 November 2006.


6 Ibid., 30.

7 Meltzer, Dave. Personal Interview. 29 November 2006.


9 Ibid.

10 *The Wrestling Observer* and other newsletters were labeled “dirt sheets” by the industry.

11 That number has since increased to 16 PPVs per year by contemporary plans, with the price increasing from $24.95 in the 1990s to the current $39.95 per show.

12 These fans often call themselves “smarts” because they consider themselves knowledgeable about the business; the term “marks” is a carnival holdover referring to fans who are not as privy to insider information. Some smarts also distinguish a group called “smart marks,” fans who think they are among the most active fan base but who are really not.

13 These points will be expanded on in a paper Ford is working on for academic publication that will be made available on the C3 site for partners.


16 Meltzer, Dave. Personal Interview. 29 November 2006.

17 Ring of Honor’s Web site is available at http://www.rohwrestling.com/.


19 For an account of the WWE’s purchase of WCW and the events surrounding it, see R.D. Reynolds’ and Bryan Alvarez’s *The Death of WCW*, Toronto: ECW Press, 2004. More information on costs is available in Meltzer, Dave, *Wrestling Observer Newsletter*, 11 August 2003, p. 1. The WWE also had to agree to $6.6 million in affiliated costs, including substantial advertising for WWE shows on Time-Warner in the future.
The Web site for the WWE tape library is available at http://www.wwe.com/shows/wwe247/videolibrary/.


Ibid., 11 August 2003, p. 1.

Ibid., 07 October 2002, p. 2; 01 September 2003, p. 5. The Mid-South collection was never purchased because the owner wanted a $1 million asking price, and the feeling was that the footage remaining in the collection was not worth that cost. Ibid., 06 September 2004, p. 10.

Ibid., 09 December 2002, pp. 11-12.

Meltzer, Dave, *Wrestling Observer Newsletter*, 01 September 2003, p. 5. According to Meltzer, his job “will be to monetize the tens of thousands of hours of tapes they own.”

Barreca, Tom. Personal interview. 06 December 2006.

Ibid. Barreca said, “When you look at today’s new basic cable economics, if you get a wrestling network distributed, we probably would not be paid for 3 to 5 years, so you give it away for several years. When you get paid, it is pennies per subscriber, and we would eventually make it up to a nickel and a dime later on. But, when you are up for a renewal as a freestanding independent, the company would get slaughtered.”


Barreca, Tom. Personal interview. 06 December 2006.


Barreca, Tom. Personal interview. 06 December 2006.


Ibid., 25 July 2005, p. 7. The AWA and SMW collections were estimated together to cost $1,710,000, with the costs of the AWA collection itself previously listed as $1 million.


Ibid., 13 March 2006, p. 3.


Ibid., 25 December 2006, p. 11.

Ibid., 07 August 2006, p. 7.

Ibid., 29 November 2004, p. 3.

Ibid., 27 February 2006, p. 10.

Ibid., p. 10.

Barreca, Tom. Personal Interview. 06 December 2006.

Meltzer, Dave, *Wrestling Observer Newsletter*, 10 July 2006, p. 4. The cable channel is supplemented by online 24/7 content as well.

46 Ibid., 11 September 2006, p. 3.
51 Barreca, Tom. Personal Interview. 06 December 2006.
54 Ibid., 07 March 2005, p. 2.
55 Barreca, Tom. Personal interview. 06 December 2006.
56 Ibid., 27 June 2005, p. 10.
57 For instance, former AWA Owner Verne Gagne was inducted in 2006, and the company later marketed a DVD called The Spectacular Legacy of the AWA.
59 Barreca, Tom. Personal interview. 06 December 2006.
60 Ibid.
61 Ibid.
62 Meltzer, Dave. Personal Interview. 29 November 2006.
63 For more on these two models, see the C3 white paper Fanning the Audience’s Flames: Ten Ways to Embrace and Cultivate Fan Communities.
Sam Ford is a Masters of Science Candidate in Comparative Media Studies at MIT. He received a Bachelor of Arts Degree from Western Kentucky University in May 2005, majoring in English (writing), news/editorial journalism, mass communication and communication studies, with a minor in film studies. He has published and presented essays on several aspects of contemporary American culture, including multiple essays on professional wrestling, work on censorship in college news media, and American film. Other interests include soap opera, American television, rural American culture, folk music and journalism. He has spent the past five years working for various news publications in Kentucky. Email him at samford@mit.edu.

The Convergence Culture Consortium at MIT (C3) is a partnership between thinkers and researchers from/affiliated with the Comparative Media Studies program at MIT and companies with a keen interest in deciphering convergence culture and the implications it can have for their business. Members of the consortium gain new insights and ideas about a very intractable and urgent set of questions that they are already grappling with in the current business environment. We aim to expand the role of industrial leaders by informing them of dynamic humanistic scholarship while providing them with early access to the cutting-edge ideas that emerge through the consortium. For more information, please visit www.convergenceculture.org.