

# Television

During the 2004 U.S. Presidential election, many young voters regularly learned campaign news from *Saturday Night Live* and *The Daily Show with Jon Stewart*. Politicians hit the late-night comedy shows to drum up support. When John Edwards announced his candidacy on *The Daily Show*, Stewart quipped, “I guess I should probably tell you now, we’re a fake show. So this may not count.”

But while Stewart downplayed the importance of his show, its influence was undeniable. During the Democratic and Republican conventions, more eighteen to thirty-four-year-olds watched coverage on *The Daily Show* than on CNN, MSNBC, or Fox. For the first time, late-night comedy shows rivaled mainstream news programs as information sources for this audience demographic.

Political and media analysts wondered what the phenomenon might mean for the future of democracy. Some worried that by combining news with entertainment, comedy shows gave young people only a shallow view of the issues. Bill O’Reilly, of Fox News, called viewers of *The Daily Show* “dopey college kids,” but a survey by the Annenberg Public Policy Center found that these viewers were better informed and had deeper campaign knowledge than nonviewers.<sup>1</sup> Other analysts theorized that even if young people were informed, they were in danger of becoming cynical and apathetic about citizenship because of their exposure to satire of the political process.

## KEY CONCEPTS

- Community Antenna Television (CATV)
- Network Affiliate
- Broadcasters as “Trustees” of the Airwaves
- Single-Sponsor System
- Network-Owned and -Operated (“O and O”) Groups
- Demographic and Psychographic Approaches to Broadcast Marketing
- Digital Television (DTV)
- TV News and Information Formats
- Entertainment Formulas
- Cost per Consumer in the TV Advertising Market
- Market Factors in International Television
- Cultural Imperialism
- Interactive Television

On the other hand, supporters of *The Daily Show* argued that it attracted young viewers because it criticized mainstream journalism that under the guise of objectivity served only the interests of social elites. *The Daily Show* served an important role of challenging mainstream television news to do better. Young people responded to this message, which engaged them with its humor and heart.<sup>2</sup>

Arguments about television shows do not surprise media historians. Television has often been a controversial medium. In the 1960s, the chair of the Federal Communications Commission (FCC), Newton Minow, called television “a vast wasteland.” Critics argue that television robs us of cultural sophistication and distorts reality. Others believe that in the service of social elites, television creates a homogenous consumer culture without viable alternatives and alters our feelings, perceptions, thoughts, and behaviors without our control. A more optimistic view of television sees it as fostering opportunities for us to participate in accepting or rejecting cultural ideas and identities. It expands the worlds of us who have limited experience with faraway places and events. Television is a powerful institution that has changed the social and political landscape and, in turn, has undergone many changes in its technology, ownership, and influence.

As you read this chapter, you will see that changing technologies affect how people watch television as well as what they watch. Television content and the amount of television being watched remain concerns for people who are interested in cultural identity, social change, political life, and the evolution of a democratic society. Consider the following issues:

- How has the commercial nature of television shaped its content? Is content shaped by advertisers? By public need and desire? By the overwhelmingly commercial structure of the medium?
- Until recently, the broadcast television industry was dominated by three networks. Now many viewers have access to more than one hundred channels. What effect has this change had on the public?
- How do you think the content of television has shaped or changed U.S. culture and society? Has television fostered democracy? Has it turned politics into entertainment? Has it made people more accepting of violence? Has it encouraged tolerance of diversity?

## TELEVISION IN AMERICAN LIFE

The history of television is a history of technology and policy, economics and sociology, and entertainment and news. Television has never been a static medium. Rather, it evolved through changing technologies, including changes in presentation (such as color programming) and distribution (by cable, satellite, and fiber optics). These changes have been affected by government regulation. But television was not merely a technical invention. It changed people’s lives, even down to the arrangement of their homes. As Lynn Spigel has demonstrated, for example, women’s magazines of the 1950s discussed how to rearrange household furniture to accommodate the television as a replacement for the fireplace and the once traditional piano. The magazines also noted that television could provide a unifying influence in family life.<sup>3</sup> In later decades, televisions were often placed where they could be watched during meals. Today, many households have more than one television, and family members may watch individually rather than together. Television revolutionized not only the home, but also news, politics, and information. Some say that it revolutionized an entire society.

# Television in Your Life



## How Do You Watch Television?

People watch television for a variety of reasons. What motivates you to look at television? Do you watch to see people with whom you can identify? Do you watch to learn about people who are different? Do you use TV to escape and relax? Do you learn ways to solve your daily problems from TV?

People also watch television in a variety of situations. It can be a solitary or social activity. How do you most often

look at TV? Do you watch by yourself, or with your family? Do you watch television as part of a sorority or fraternity? Do you watch TV when you're on a date? How and why you watch television changes how it affects you. As you read this chapter, think about the ways television affects you and how content is shaped to have that influence.

Rank the following from one to seven, with seven being your top reason for watching TV.

### Motivations

- To see people I can identify with and enjoy
- To see people who are different from me
- To escape and relax
- To watch action, adventure
- To find good role models
- To learn ways to solve daily problems
- To learn about different cultures and lifestyles

## Development of Television

Television resulted from a long line of early experiments by many inventors, including Vladimir Zworykin, Philo T. Farnsworth, Edwin Armstrong, and Lee de Forest. The finished product represents the efforts of combined technologies and vicious patent disputes. Although experimentation began a century ago, the first test broadcasts did not begin until the mid-1920s. Development of television was not an exclusive American phenomenon; television was on the air in England in the mid-1930s.

Battles between the radio networks such as Columbia Broadcasting System (CBS) and electrical giants such as Radio Corporation of America (RCA) determined the course of television in the United States. David Sarnoff of RCA became the dominating force in both radio and **television network** development. In 1933, Sarnoff opened the RCA Building in midtown Manhattan, which included a studio designed to provide live TV programs. RCA first demonstrated its all-electronic television system to the **trade press** in 1935, and television sets went on sale in a Bronx furniture store in 1938. In 1939 many people in the United States saw their first television on five- and seven-inch screens at the New York World's Fair.

During 1939, several radio networks and radio manufacturing companies, including General Electric, RCA, CBS, and DuMont, began transmitting from experimental television stations in New York. RCA and DuMont, which manufactured early

### television network

A system of linked communication technologies that transmits video, audio, and text to many stations. Network-affiliated stations rebroadcast programs and advertising to viewers in a geographic area, and may also provide locally produced content.

### trade press

Periodicals that target a specific industry. *Broadcasting & Cable* magazine, for example, targets the broadcast and cable industry and is an example of a trade magazine.

Television arrived in the home and changed not only people's vision of the world but also the spatial arrangements of their homes. Household furniture was shifted to accommodate the television as a replacement for the fireplace and the once traditional piano.

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receivers, slowly increased the size of the viewing screen to twelve inches. After several years of debating technical standards, the FCC authorized a standardized system for resolution quality and transmission.<sup>4</sup> By the end of 1941, which was television's initial year of commercial operation in the United States, CBS and NBC had converted their New York stations from experimental to commercial status, and about ten thousand sets were sold.

Television's progress came to a halt in 1942 as manufacturers devoted themselves to war production. New television sets could not be made, and old ones could not be repaired. Only six experimental stations stayed on the air, and these for only an hour or so a week.

Although the technology was in place and regulation allowed for expansion, commercial television faced major challenges at the end of the war. First, TV station startups were expensive, requiring \$1.5 million (about \$7 million in today's dollars) or more. Second, the nation still suffered a shortage of critical materials. Third, advertisers were wary of television's high costs. Owners correctly expected their stations to operate at a loss for several years before a large enough viewing audience began to attract advertisers.

Each segment of the industry was reluctant to commit resources because of uncertainty in other segments. Station owners were concerned about whether consumers could afford sets to receive their broadcasts; set manufacturers needed on-air programming to entice set buyers; programmers needed advertisers' financial support; and advertisers needed viewers. One entity had to create the impetus for the other players to take the plunge, so development was slow. Nevertheless, the potential market encouraged risk-taking, and each segment stumbled its way to success.

## Postwar Challenges

After World War II, television began to emerge as a mass medium, and networks rapidly became the dominant force in shaping station ownership and programming. By 1934, the regulation of broadcasting had been assigned to the Federal Communication Commission (FCC), which was created by the Communications Act. In 1948, because of signal interference and because the number of channels assigned for television proved inadequate to meet the demand, the FCC froze the granting of television station licenses. Until it ended in 1952, the freeze limited stations to the 108 that were already in operation. During the freeze, a few big cities had several stations, and many had none. In areas that had no television, people used ingenious methods to get signals. In some communities, companies built tall antennas on hilltops to receive station signals

and then transmitted those signals through **coaxial cable** to subscribing homes, thus initiating **community antenna television (CATV)**. By 1952, about 15 million homes (10 percent of the U.S. population) had TV sets, and advertising revenues were about \$324 million. Total advertising revenues for radio in the same year were about \$445 million.

By late 1948, four television networks broadcast from New York with limited links west to Chicago. Three of the networks—ABC, CBS, and NBC—were based on radio networks; the fourth, which was television only, was run by DuMont with help from its partner, United Paramount Theaters of Hollywood. In addition, National Education Television (NET) was founded in 1952 by the Ford Foundation and became a network in 1954. It ceased operation in 1970.

Good programming and solid **network affiliate** stations developed because they allowed the local broadcast stations to share the expense of producing quality programming. Local stations could not afford individually to pay national radio stars such as Jack Benny, but by forming networks, better programs could be produced and broadcast locally. CBS and NBC offered the strongest programming and so gained the most affiliates. ABC and DuMont competed for the rest. DuMont was the only network that had no radio connections; its financial support came from a successful television manufacturing business. DuMont hoped to pick up stations along the Atlantic seaboard and then move inland as the number of receivers increased and as the AT&T coaxial cables necessary for carrying television signals moved west. But the new stations tended to affiliate with one of the major networks. Unable to compete financially, DuMont closed its doors in 1955.<sup>5</sup> ABC, CBS, and NBC continued to dominate television until the coming of the Fox network in the late 1980s.

During the 1950s, CBS and NBC competed for the top spot. One of their early battles involved the development of color television. CBS, RCA (which owned NBC), and other companies had experimented with color systems beginning in 1940. As often happens with innovative technologies, technical standards clashed. In 1948, CBS claimed it could implement its system, but RCA argued that further experimentation was necessary before standards could be set. In 1950, after considerable political pressure from Congress and from CBS, the FCC first chose CBS's partly mechanical color system. However, in 1953 the FCC reversed its decision and authorized the all-electronic RCA system, which was compatible with black-and-white sets. David Sarnoff, chairperson of the board of RCA, announced on television that color had arrived. "This day will be remembered in the annals of communications," he said, "along with the historic date of April 30, 1939, when RCA-NBC introduced all-electronic black-and-white television as a new broadcast service to the public at the opening of the World's Fair in New York. At that time we added sight to sound. Today, we add color to sight."<sup>6</sup> However, Sarnoff's claim was mostly public relations hype, and it was not until the mid-1960s that color receivers became widely available.

## Policy and Politics

Industry players cooperated with the government to ensure a profitable commercial broadcast system. Broadcast regulation is treated thoroughly in Chapter 14, but it is important to note here that the basic outlines of radio regulation were applied to television, guaranteeing that it too would be primarily a commercial medium. The act extended principles of the 1927 Radio Act that assigned licenses to **broadcasters as "trustees" of the airwaves** and charged broadcasters with operating in the public interest.

### Key Concept

**Community antenna television (CATV)** The first form of cable system, CATV was created in 1948. It used signals that were beamed to widespread communities via hilltop antennas; coaxial cable then carried the signals to households. The CATV system brought television signals to many rural areas that previously were unable to get them or received only poor-quality signals.

### Key Concept

**Network affiliate** A television station typically contracts to carry one network's programming and commercials; the station thus becomes an affiliate of that network. In return, the network pays the station for use of its time. The three major networks—CBS, ABC, and NBC—historically gained much of their strength through powerful affiliation agreements.

### coaxial cable

Cable that contains two conductors: a solid central core surrounded by a tubelike hollow one. Air or solid insulation separates the two. Electromagnetic energy, such as television transmission signals, travels between the two conductors.

### Key Concept

**Broadcasters as "trustees" of the airwaves** Basing its regulations on the concept that airwave scarcity produces a common space that is subject to public laws, the U.S. government has long required that broadcasters function as trustees of the airwaves, operating by license in the public interest.

The FCC had difficulty addressing the issue of radio and television political content, particularly when it involved opinion, from the early days forward. The FCC argued that broadcasters' editorializing might not serve the public interest because broadcasters might propagate their own opinions without providing airtime for opposing points of view. Therefore, in a 1941 broadcast licensing hearing, the FCC ruled in the *Mayflower* decision that a broadcaster could not advocate a specific point of view. In 1946 the FCC codified much of its previous thinking into a document titled "Public Service Responsibility of Broadcast Licensees," generally referred to as the "Blue Book." This document outlined the rationale for FCC programming regulation and set standards for public service. It also argued that some profits should be reserved for public service programming. The TV industry attacked the Blue Book, arguing that the FCC was moving too close to censorship, which is prohibited by the U.S. Constitution. In 1948–1949 the FCC reconsidered its position on editorializing and encouraged reasonably balanced presentation of responsible viewpoints.<sup>7</sup>

This FCC policy statement became the basis of the *fairness doctrine*. Under the fairness doctrine, a station broadcasting one side of a controversy had to offer time to someone representing the other side of the controversy. The doctrine was eliminated in 1987, when the FCC concluded that the growing number of media outlets provided for enough diversity of opinion about public controversies.

In the aftermath of World War II, fear of Communism infected U.S. society. Legislators, business groups, and others attacked the film and television industries, labeling performers, producers, actors, and writers **fellow travelers**, or sympathizers with those who advocated bringing Communism to the United States. In the atmosphere of anti-Communist hysteria fostered by Wisconsin Senator Joseph McCarthy, the entertainment industry faced sharp challenges from the House Un-American Activities Committee.

In 1950, Counterattack, a right-wing political group, published *Red Channels: The Report of Communist Infiltration in Radio and Television*, which named many writers, performers, and other broadcast employees as Communist Party members or sympathizers. This and other **blacklists**, many of which went unpublished, destroyed the careers of many aspiring broadcasters because those named on the blacklist were denied employment in the industry.

### fellow travelers

During the period of intense fear of Communism in the 1950s, people in the broadcast and entertainment industry who were unfairly accused of sympathizing with the beliefs of the Communist Party.

### blacklist

A list of individuals compiled with the express purpose of forcing them out of their jobs. Blacklisting was used during the 1950s to label certain individuals as Communists and to force them out of the information and entertainment industries.

### anthology

A favorite television format of the 1950s that consisted of stage plays produced for TV.

## Entertainment Programming

Television programming successfully adapted radio's best offerings by the early 1950s. This movement from radio to TV served the networks because their programs had recognized stars, and it served the stars because it gave them access to a new, growing audience. **Anthologies** quickly became standard fare. *Kraft Television Theater*, *Studio One*, and *Fireside Arena Theatre*, produced live from New York, mimicked live stage performances. With live television, "every night was opening night," recalled costume designer Bill Jobe, "with fluffed lines, ties askew, flies open, and overstuffed merry widows."<sup>8</sup> Critics acclaimed the tasteful performances, and sponsors seeking sophisticated audiences raced to finance independently produced high-quality programming.

Comedy-variety shows hosted by successful radio comedians, quiz shows, dramas, and Westerns were standard prime-time television fare. Local programming also increased as stations began to broadcast during the day. "Every station had its cooking expert; a late afternoon children's program host, usually a cowboy or a clown; a general interview host for daytime shows; and a small local news staff."<sup>9</sup>

By the late 1940s, the networks had added situation comedies (sitcoms), which were mostly borrowed from radio. One of radio's most popular comedies was *Amos 'n Andy*, which debuted under the name of *Sam 'n Henry* in 1926. In 1931, the two white radio actors who spoke as *Amos 'n Andy* on radio starred at the *Chicago Defender's* second annual picnic. The *Defender* was Chicago's nationally known black weekly newspaper. But even as actors Charles Correll and Freeman Gosden appeared at the *Defender's* picnic, another prominent black newspaper, the *Pittsburgh Courier*, attacked *Amos 'n Andy* for being demeaning to African Americans.

*Amos 'n Andy* became a television hit in 1951, with black actors replacing the white radio voices. It was the first television show to have an all-black cast. The black community was split in its response. The NAACP denounced *Amos 'n Andy* for depicting “the Negro and other minority groups in a stereotyped and derogatory manner” that strengthened “the conclusion among uninformed or prejudiced people that Negroes and other minorities are inferior, lazy, dumb, and dishonest.” But the *Pittsburgh Courier*, which had panned the radio show, found the television version to be “well-paced, funny more often than not, directed and produced with taste.” *Amos 'n Andy*, the television show, won an Emmy nomination in 1952, but CBS did not renew the program for a third season. CBS syndicated the show, however, selling it to local stations and foreign countries until 1966. Correll and Gosden continued to act in a radio version of the program until 1960.<sup>10</sup>

Other popular sitcoms soon became part of television fare. *I Love Lucy*, *Father Knows Best*, *Our Miss Brooks*, and *Burns and Allen* enjoyed long runs. However, many programs lasted only a few months.

Live performances continued to dominate television programming through the mid-1950s, but broadcasters soon realized that television lent itself to recorded programs. Filming programs for later broadcast was efficient and economical. By the late 1950s, the national programming from New York and much of the creative local programming that had originated in Chicago had moved to Hollywood. There, television producers had access to the technology and talents of the film studios, and the climate allowed outdoor filming all year. Film was the primary recording method; videotape was not in widespread use until the early 1960s.



Television comedy borrowed from its predecessor, radio. *The Red Skelton Show* specialized in slapstick that contained vestiges of vaudeville.

## The Influence of Advertising on Programming

From the beginning of television, advertising and programming were intertwined through network personnel and through sponsorship. For example, Harry Ackerman, appointed vice president to head network programs for CBS in Hollywood in 1951, had worked at CBS radio and then for the prestigious Young & Rubicam Advertising Agency. At first, television programs were owned by advertisers, which based the content of the shows on the interests of the audiences they wished to reach. The names of the anthology dramas reflected their sponsors: *Kraft Television Theater* and *Goodyear TV Playhouse*, for example. The sponsor’s advertising agency bought time from a network, and the agency produced and controlled the program and supporting ads. Sometimes the line between advertising and entertainment blurred. “A girl breaks into song,” the *New Yorker* reported, “and for a moment you can’t quite pin down the source of her lyrical passion. It could be love, it could be something that comes in a jar.”<sup>11</sup>

Through the 1950s, networks and advertisers struggled over who would control content. NBC introduced the concept of *magazine programming*, which meant selling time to several advertisers to share the support of a single show.

The networks improved their production facilities and brought more production in house. As the expense of programming and advertising rates increased, TV networks and stations increasingly sold time, not shows. At first only one product or service appeared in each commercial break, but later each break contained multiple ads.

The downfall of the **single-sponsor system** came with the 1950s **quiz show** scandals. These popular shows were cheap to produce because they required little in

### Key Concept

**Single-sponsor system** In the early days of television, a single advertiser often sponsored an entire show. This system declined as television time became more expensive and the reputation of sponsors suffered from the quiz show scandals of the late 1950s.

### quiz show

Show on which contestants answer questions that show their knowledge of selected material.

## Television in Our Lives

1400–1700



1620. Pilgrims land at Plymouth Rock.

1690. *Publick Occurrences* is published in Boston.

1741. First magazine is published in America.

1776–1783. American Revolution

1800



1830s. The penny press becomes the first truly mass medium in the United States.

1861–1865. American Civil War

1892. Thomas Edison's lab develops the kinetoscope.

1914–1918. World War I

1915. *The Birth of a Nation* marks the start of the modern movie industry.

1920. KDKA in Pittsburgh gets the first commercial radio license.

1930s. The Great Depression

1939. TV is demonstrated at the New York World's Fair.

1939–1945. World War II

1949. First commercial electronic computer is produced.

1927. First experimental broadcast

1934. Federal Communications Commission is established.

1948. FCC freezes television station licenses to examine allocation policies.

1948. Cable television systems begin.

1900



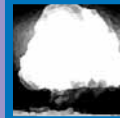
1920



1930



1940



## Cultural Milestones

the way of sets or staging. Individuals appeared onstage and answered questions, much like *Jeopardy* contestants do today. The shows appealed to large audiences. The famous *\$64,000 Question*, developed by an advertising agency and sold to Revlon, achieved one of the highest ratings of the decade. But the *\$64,000 Question* and other highly rated quiz shows, including *Twenty-One*, were rigged to make them more exciting. The scandal broke during the summer of 1957. In the fall of 1958, Charles Van Doren, star contestant on *Twenty-One*, confessed that the producers (and by implication the sponsors) had given him advance answers to the questions he would be asked.<sup>12</sup> (Van Doren's story was the basis for the 1994 film *Quiz Show*.) Although the



**Early 1950s.** 15-minute network news broadcasts  
**1952.** FCC unfreezes station licensing.  
**1952.** Networks cover presidential campaign.  
**1955.** DuMont network closes, leaving three broadcast networks.  
**1960.** First televised presidential debates between Kennedy and Nixon  
**1963.** NBC starts 30-minute network newscasts.  
**1960s.** Color television becomes popular.  
**1972.** HBO becomes first premium cable channel.  
**1979–1980.** *60 Minutes* becomes first news program to top the ratings.  
**1980.** CNN begins operation.  
**1980s.** Large-market local television expands newscasts from 30 minutes.  
**1987.** Fox network begins broadcasting.  
**Early 1990s.** Direct satellite broadcast starts using 18-inch dishes.  
**1996.** Telecommunications Act  
**2000.** Direct satellite broadcast increases its share of pay television.  
**2009.** All broadcast TV stations must change to digital broadcasting.

1950



1960



1970



1980



1990



2000



**Early 1950s.** Rock 'n' roll begins.  
**1969.** First person lands on the moon.  
**1970s.** VCR is developed.  
**1989–1991.** Cold War ends and the USSR is dissolved.  
**Late 1980s.** National Science Foundation creates the basis of the Internet.  
**1996.** Telecommunications Act  
**2000.** Presidential election nearly tied.  
**2001.** Terrorist attacks on New York and Washington, D.C.  
**2003.** War with Iraq.

networks were in some cases reluctant to take over the management of advertising and programming, they used the scandal to claim that because sponsors were too greedy for high ratings, the networks themselves should control programming.<sup>13</sup>

## Polls and Television

Television is the dominant medium when it comes to national election coverage. In 1960, John F. Kennedy defeated Richard Nixon, largely because he looked young and handsome on camera. Each presidential election year, the television networks race



Charles Van Doren was first a celebrity, then an outcast, on the TV quiz show *Twenty-One*. Quiz shows, many of which were proved to be fraudulent, attracted wide audiences.

to see who can predict the election outcome first. The predictions are based on exit polls, which involves asking people about their votes as they leave the polls. In 2000 the networks created confusion because early in the evening their exit polls predicted Democratic candidate Al Gore would win the popular vote in Florida. They later reversed this prediction and said George W. Bush would win Florida. The voting was so close that the final winner of Florida and the presidential election were not declared for six weeks. In the 2004 election, problems with exit polls surfaced again, when they were skewed in favor of the Democrats, causing television commentators to suggest a John Kerry win. Furthermore, exit poll data was leaked prematurely and could be found on Internet blogs. The networks may continue to use exit polls for predictions, but may be more careful in the process of collecting and analyzing data, as well as timing the release of exit poll information.

## TODAY'S MARKET STRUCTURE

Until the mid-1980s, television was dominated by three major broadcast networks: CBS, NBC, and ABC. PBS, which began broadcasting in 1970, also drew a share of viewers. Cable was targeted at a small, largely rural audience. However, in the 1980s, cable companies took advantage of satellite technology to expand their distribution. They found that even urban viewers, with a range of network affiliates and small local stations from which to choose, would pay to receive the additional channels that cable offers. In addition, some new networks arose to challenge the dominance of the big three.

### Major New Networks

Although networks had long dominated television, by the early 1990s forecasters were predicting their deaths. The share of prime-time audiences held by ABC, CBS, and NBC eroded from a high of 91 percent in 1978–1979 to 33.7 percent in 2003.

The lost audience moved to other networks and to cable. However, predictions of the networks' deaths were premature. The companies that own the networks remain financially strong as a result of deregulation in the 1990s that allowed them to expand their holdings. These companies provide original content and continue to attract viewers to their stations in the face of stiff competition.

**Fox** Rupert Murdoch, who started his career managing a family-owned newspaper in Adelaide, Australia, managed to do in ten years what no one in the United States had been able to do in the past—pose a serious competitive challenge to CBS, NBC, and ABC. Targeting a young audience, with shows like *The Simpsons*, Murdoch took advantage of the FCC's desire to foster competition against the networks and used his own resources and nerve to battle the dominant business structure of U.S. television.

Murdoch built a single paper into a chain of tabloid newspapers, then moved to London in 1969 to buy a tabloid weekly, *News of the World*. By 1985, Murdoch and his News Corporation had collected a group of powerful media companies in Britain, including the *Sun*, the nation's largest-circulation daily, and the prestigious *Times*, and had begun laying the groundwork for a satellite television service called Sky

Channel, which beams programs to cable systems throughout Europe. In 1985, Murdoch's News Corporation moved into electronic media with the purchase of Twentieth Century Fox Film Corp., with its rich film library. In the same year, Murdoch bought six big-city television stations from Metromedia in New York, Los Angeles, Chicago, Dallas, Houston, and Washington, D.C.<sup>14</sup>

Murdoch's deal needed approval by the FCC, but he was not a U.S. citizen, and the Communications Act prohibits ownership of broadcast stations in the United States by foreigners. Murdoch changed his citizenship as soon as legally possible, and the FCC seemed to ignore the fact that his News Corporation was made up primarily of foreign investors.

Ten years after Murdoch started the network, which he named the Fox Network, the foreign ownership issue resurfaced. After an eighteen-month investigation, the FCC reversed its 1985 decision, declaring that Murdoch's company, despite his U.S. citizenship, was indeed a foreign company. However, the FCC simultaneously granted Murdoch a waiver from the foreign-ownership rule, allowing him to continue business.<sup>15</sup> In 2004, Murdoch moved his company's base of operations from Australia to the United States.

Despite confrontations with the FCC, Murdoch has continued to expand and diversify his empire, acquiring DirecTV; a direct broadcast satellite service; IGN Entertainment, which holds video-game websites like GameSpy and TeamXBox; and Intermix Media Inc., which owns MySpace.com.

**CW/UPN and WB** As Fox illustrated that a new network could achieve success, two others joined the competition. United Paramount Network (UPN) and Warner Bros. Network (WB) joined the field during 1994 and 1995 respectively. In their first season, UPN reached an average of about 4 percent of households, and the WB reached about 2 percent. By 1999 the new networks reversed these positions, as the WB became the fifth-ranked network.

Faced with declining ratings and rising costs, UPN and WB closed down in 2006. Their programming, including *America's Next Top Model* and *7th Heaven*, migrated to a new combined network, CW. The National Association of Black Owned Broadcasters expressed concern that the merger disproportionately affected African-American television station owners who were affiliates of the two networks.



The UPN show, *Everybody Hates Chris*, survived the merger of UPN and WB into the new CW network. However, five out of eight other shows with African-American casts were cancelled.

**PAX TV/ i: Independent Television** The number of networks grew to seven in August 1998. A born-again Christian and founder of the Home Shopping Network, Lowell “Bud” Paxson started a broadcast station network that featured family-friendly programs, like *Touched By an Angel*, that avoided sex, violence, or strong language. After PAX’s prime-time programming reached an all-time high of one million households in 2001, it lost 55 percent of its viewers by 2005. The network’s name was changed to i, and it began featuring content by independent producers and softening its line against sex and violence. Shortly after, Paxson resigned from the company, now ION Media Networks.

**Univisión** In 1955, Raúl Cortés, who founded the first U.S. Spanish-language radio station, launched a companion television station in San Antonio, Texas. KCOR-TV, now KWEX-TV, produced its own soap operas, news, and game shows. Cortés sold his station in 1961 to the Spanish International Network (SIN), owned by the Mexican company, Televisa. In 1986, Televisa was forced to sell SIN to Hallmark Cards because of FCC rules against foreign ownership, yet much of the programming on the renamed network, Univisión, still came from Televisa. Univisión became the fifth largest television network in the United States, featuring news, sports, variety, and talk shows and very popular **telenovelas**. While its audience is largely Spanish speaking, many non-Hispanics tuned in for Univisión’s coverage of the 2006 World Cup, more than any other network.

## Television Delivery Systems

About 111 million households in the United States have one or more television sets, and the average home has access to nearly one hundred channels. In 2005, 68 percent of households received a cable signal and 22 percent a direct satellite broadcast (DBS) signal.<sup>16</sup> The rest did not subscribe to a cable or satellite service and received only an analog signal.

**Broadcast Stations** The United States has about 1,700 **full-power television stations**. More than 1,300 are *commercial*, in business primarily to make a profit. They are licensed by the FCC, transmit programs over the air, and carry commercial messages to pay costs and make a profit. *Noncommercial* stations, often referred to as educational or public television, are not operated for profit. These 381 stations are financed primarily by grants from foundations, viewers’ donations, and government funds, and carry no traditional advertising. *Low-power broadcast* stations serve limited areas because the stations’ signals cannot reach long distances. There are about 2,200 low-power broadcast stations. Broadcast operations can be further classified according to their spectrum location in the very high frequency (VHF) or ultrahigh frequency (UHF) band. The 589 commercial VHF broadcasting stations use larger radio waves to carry their television signals than do the 782 UHF broadcasting stations. The VHF signals travel farther and provide a clearer picture than UHF TV signals.

**Cable Distribution** Cable television systems distribute television channels through optical fibers, coaxial cables, and broadband amplifiers. Signals are collected at a central point and then sent through cables to subscribers. A cable company usually negotiates with local authorities for a franchise in a region.

By the mid-1960s, broadcasters began to fear the power of cable competition and asked the FCC to design protective regulation that would keep cable operators from competing with traditional broadcast stations. From 1966 until the late 1970s, the FCC imposed heavy restrictions on cable development. However, such regulations did not hold up under Supreme Court scrutiny, and during the late 1970s the FCC reversed its position on cable regulation. In 1984, Congress passed a strongly deregulatory Cable Communications Policy Act, which limited interference in cable operations by local communities, state governments, and the FCC. Recent disputes over cable have centered primarily on subscriber rates, with a fair amount of government and

### telenovela

A soap opera with a finite number of episodes.

### full-power television station

A station that reaches a large percentage of households in its market and that must broadcast a schedule of programs.

## The Telenovela

The telenovela has been a staple of Spanish-speaking television for over fifty years. Originating in Central and South American countries, telenovelas helped launch the career of stars like Salma Hayek and cement the positions of the Univisión and Telemundo networks, among the largest in the United States. Relatively cheap to produce, telenovelas have a finite number of episodes, and are usually shown daily for four months to a year. They share characteristics of English-speaking melodramas, involving difficult romances, characters that can be easily identified as good or evil, a dramatic conflict usually involving social class, strong emotional displays, and a happy ending. A chief writer at the Telemundo network describes the formula: “A telenovela is the story of an impossible love.”

Telenovelas often reflect their time and place, and over the years have taken on themes such as urbanization, police corruption, immigration, assimilation, racism, the environment, and changing family life. They have also adapted to appeal to young people. For example, the Mexican-produced *Rebelde* is set in the private “Elite Way School” where some of the students form a rock band. These students are played by the members of an actual rock band, RBD, who drew 65,000 fans at the Los Angeles coliseum in 2006 and won Best Pop Album in *Billboard’s* Latin music category. The show also heavily features product placements and has its own product spinoffs such as ringtones and candy. The telenovela format has been adapted to other languages. In 2006, Fox’s new My Network TV included two telenovela-inspired programs in its lineup—*Desires* and *Secrets*.

The telenovela is a global popular culture phenomenon. Originally, telenovelas were made and shown in Mexico, Cuba, Venezuela, Colombia, and Brazil. Televisa, a Mexican company, exported these shows to the United States, where they were spon-

sored by soap companies and had strong, loyal followings. Telenovelas are now produced in every Spanish-speaking country, and studios can be found in Miami and Los Angeles. Depending on the production company, some of the telenovelas made in the United States have a national slant with references to the country’s immigration policy. Others remain generic enough to appeal to a worldwide audience; for example, actors may avoid regional accents.

Telenovelas, including old reruns, are shown in over one hundred countries, such as China, Poland, Bosnia, Indonesia, Japan, Bulgaria, and Russia, where they have avid followings. Many reasons have been proposed for this popularity. Some cultural observers suggest that while offering escape for the working class, more traditional telenovelas avoid the display of luxury in U.S. television shows or the intellectualism of European ones. Others say that the storytelling carries universal themes that allow emotional identification and provide a sense of justice. Even if they respond to common themes, viewers must make sense of these programs out of their own experiences and cultural background. For Spanish-speaking immigrants, telenovelas offer a connection to cultural tradition and ways of thinking about identity. Dulce Terán, Venezuelan producer of the popular *Olvidarte Jamás*, explains, “In the U.S., telenovelas are the way to keep yourself welded to your traditions. It’s the way you remember your country, and your language.”

*Sources:* Emily Witt, “Never Forget You,” *Miami New Times*, March 2, 2006, Proquest; Araceli Oriz de Urbina and Abel López, “Soaps with a Latin Scent,” Unesco, 1999, [www.unesco.org/courier/1999\\_05/uk/connex/bxt1.htm](http://www.unesco.org/courier/1999_05/uk/connex/bxt1.htm); Josh Kun, “We Are a Band,” *New York Times*, July 9, 2005: late ed., 2.

private concern directed toward the rapidly increasing costs of cable television to the consumer.

Deregulation paved the way for cable **superstations**. In 1976, Ted Turner turned the lowest rated Atlanta TV station, UHF Channel 17, into superstation WTBS. He contracted with a satellite company to **uplink** his signal to RCA’s SATCOM I for distribution to cable systems. At first, only twenty systems **downlinked** WTBS, but within two years more than two hundred systems downlinked programs from the station, and by 1979 more than two thousand systems were participating.<sup>17</sup> Using WTBS, Turner made the Atlanta Braves, which he also owned, one of the most popular baseball teams in the United States.

The 1984 Cable Communications Act and the 1996 Telecommunications Act continued the creation of a deregulatory environment for the cable industry, spurring its expansion. Even though the United States has more than 11,000 cable systems, a few

### superstation

A station that reaches hundreds of markets throughout the country by means of satellite distribution of a signal to cable systems.

### uplink

Transmitting an electronic signal to a satellite for storage or further distribution.

### downlink

Transmitting an electronic signal from a satellite to a ground facility.

companies own most of them. These companies are called multiple system operators (MSO). Comcast is the largest of these, with 23.3 million subscribers in 2006. Time Warner Cable is in second place with 14.4 million. In 2006, both companies benefited from splitting the acquisition of the fifth largest cable company, Adelphia, which had declared bankruptcy in 2002 after its founder was accused of fraud.

**Satellite Distribution** Satellite distribution is the fast growing segment for delivering TV content. This growth resulted from the conversion of satellite systems from analog to digital, and federal legislation in 1999 that allowed satellite systems to distribute local station broadcasts into those stations' home markets. This had been illegal and the largest stumbling block for Direct Broadcast Satellite (DBS). Mergers in the industry in the late 1990s reduced the number of major satellite providers to EchoStar and DirecTV, which uses a transmission format called Direct Satellite Service (DSS). In 2003, DirecTV was purchased by Rupert Murdoch.

**Television on the Internet** In 2005, a video boom began on the Internet. By July 2006, YouTube was receiving 16 million visitors, MySpace Videos 20 million, and Yahoo! Video 21.1 million to view videos, including clips from television shows.<sup>18</sup> Seeing a new market ahead, television networks began making their programs available online. ABC cut a deal with Apple in October 2005 to sell episodes of *Lost* and *Desperate Housewives* through iTunes. With that success, the networks began offering episodes of these programs for free as streaming video. CBS provided video streams from the NCAA men's college basketball team, while MTV already had 8,000 music videos available online.<sup>19</sup> In January 2006, Sky Television launched a subscription service in the U.K. and Ireland, allowing their viewers to download video to their PCs. While TV on the web receives far fewer viewers than on regular TV, the Internet is becoming an important delivery system.

## Television Station Ownership Patterns

When buyers consider purchasing a television station, they must first examine the other media they own within that market. FCC regulations limit multiple ownership of the same medium and cross-ownership of other media (radio and newspaper) within the same market. The intent is to prevent a controlling media monopoly and to encourage a variety of voices within the marketplace.

### Key Concept

#### Network-owned and -operated ("O and O") groups

"O and O" groups are stations owned by the seven television networks. They make more money for the networks than network programming.

**Network Owned and Operated Groups** Of all ownership types, **network-owned and -operated ("O and O") groups** receive the most attention. The stations in these groups tend to be in larger markets such as Chicago, New York, and Los Angeles because they attract larger audiences and profits than they would in smaller markets. The major networks generate or acquire programming that runs on their own stations and on affiliated stations. The networks make

money not only by carrying network advertising, but by selling advertising time on single stations. Because of declining network ratings and increasing production costs, networks make more profit from their stations than from network advertising.

Other companies besides the networks own groups of stations. Some of these companies are major players in the media industry. For example, Gannett, which is known more for its newspapers than for television stations, owned twenty-two stations in 2006, and Media General owned thirty stations. Stations that are owned by groups may or may not be affiliated with networks. Affiliates make money from networks, which pay them to run programming, and by selling advertising at their stations. Affiliated stations use network shows and also buy syndicated programs.

**Independently Owned Stations** Independently owned stations are owned by individuals or families. They are not part of groups and may or may not be affiliated with

networks. Programming can be expensive for independently owned stations that do not have a network on which to rely. However, independent stations have total freedom in deciding content, and much creative programming has originated at these stations.

**Public Television Stations** Public broadcast stations are supported mostly by private donations, tax revenues, grants, and corporate underwriting. They do not carry direct advertising. Public television is known for its long-running popular educational programs such as *Sesame Street* and *Masterpiece Theatre* and explorations of nature and science. It is also known for carrying important congressional proceedings such as the Senate Judiciary Committee's confirmation hearings when Clarence Thomas was nominated to the Supreme Court. However, C-SPAN and CNN now generally provide more thorough coverage in this area.<sup>20</sup>

C-SPAN is a private, nonprofit company created in 1979 by the cable television industry as a public service. Their mission is to provide public access to the political process. C-SPAN receives no government funding; operations are funded by fees paid by cable and satellite affiliates who carry C-SPAN programming.

The federal government supports public television by giving money to the Corporation for Public Broadcasting (CPB), a private, nonprofit corporation created by Congress in 1967, which in turn partially funds one thousand public radio and television stations. With some of this money, public stations produce or buy programming. Television stations buy shows such as *The News Hour with Jim Lehrer* from the Public Broadcasting Service (PBS), a network created by CPB.

The federal government's portion of the \$2.3 billion spent on public television continues to decline; it was only 19.5 percent in 2006. Congressional critics of PBS argue that its programming has a liberal bias, pointing to shows like *NOW with Bill Moyers*. When it planned to carry an animated cartoon about a lesbian couple, the network received sharp criticism from the Bush administration. The politics of PBS have created an uncertain climate for its continued funding. Table 7.1 illustrates where public television gets its money.

As the result of declining federal funds, PBS stations carry underwriter spots that look like commercials. PBS also licenses books, toys, and other merchandise, especially based on characters such as Elmo, Bob the Builder, and Barney. In 2005, PBS teamed with Comcast, Sesame Workshop, and HIT Entertainment to launch a new twenty-four-hour cable channel for preschoolers, PBS KIDS Sprout, that includes advertisements. Some critics have questioned whether PBS still provides an alternative to commercial television.



The public service channel C-Span provides citizen access to the U.S. political process.

## AUDIENCE DEMAND IN TELEVISION MARKETS

Television caters to the advertising market and the consumer market with news and entertainment. Networks, cable systems, direct broadcasters, and syndicates provide programming that supplies the demand. The chief goal, except in public television, is to make profits, which is usually done by achieving high ratings. However, high profits are increasingly associated with targeted audiences rather than mass audiences. In such cases, lower ratings can still attract advertisers. For example, golf events on television earn low ratings but are still attractive to advertisers because people who watch golf on television are high earners with disposable income to spend.

**Table 7.1** Who Funds Public Radio and Television?

| Total Revenue: \$2,395,228          |       |
|-------------------------------------|-------|
| Subscribers                         | 26.5% |
| Corporation for Public Broadcasting | 16.3% |
| Business                            | 15.3% |
| State governments                   | 12.5% |
| Colleges and universities           | 10.3% |
| Foundations                         | 6.8%  |
| Local governments                   | 3.4%  |
| Federal grants and contracts        | 2.8%  |
| Auctions                            | 0.5%  |
| Other                               | 5.7%  |

Source: Corporation for Public Broadcasting

## Consumer Market

TV shows have traditionally been divided into two types: entertainment and news. In the 1950s, the major networks relocated their entertainment divisions to be near Hollywood studios, while their news divisions remained in New York. Most television stations and networks have separate departments for providing these types of programs. However, the line between entertainment and news has not always been easy to distinguish, and the rise of infotainment and reality TV shows like *Cops* has made that line even fuzzier.

Delivering the news has been an important mission of television, and has met the people's interest in international, national, and local affairs. In the 1970s, the news became profitable when many viewers turned on their sets to follow the Watergate scandal. Furthermore, with new technologies and newly hired consultants, local news channels began running sensational crime stories combined with light banter from attractive anchors. Television had an advantage over print in that it provided powerful images that seemed more immediate and real than text, and the news could be appealingly dramatized in shows like the long-running *60 Minutes*.<sup>21</sup> Television has shaped cultural perceptions of many important events, from the civil rights movement to the September 11 attacks. However, in recent years, network news has been losing its audience, which declined from 52 million in 1980 to 28.8 million in 2004. The audience is also graying, with the median age of viewers at 60.<sup>22</sup> In recent years, many critics have expressed concern that the large media conglomerates who own most television stations are more concerned with ratings and profits than with hard-hitting journalism, and that entertainment has become more important than news.

Entertainment programming has also been undergoing change. In the early days of television, families spent an evening together tuned to a single station to watch sitcoms like *Leave It to Beaver* and variety shows like the *Ed Sullivan Show*. Now, the





Social satires like the controversial *Family Guy* are popular with young adult viewers.

members of households may be viewing different shows on different TVs, and are less likely to sit through an entire show, much less an evening of a single station's programming. The audience share for programs has dropped. In 1978, the most popular show on TV, *Laverne and Shirley*, reached 31.6 million households, while in 2006, the top show, *American Idol*, reached 14.9 million households.<sup>23</sup> The kinds of programs have changed, so that reality TV and crime dramas have ascended over sitcoms, and the types of shows have become much more diverse across many channels. The traditional types of programs, such as sitcoms, talk shows, and news, overlap to create new **hybrid** forms, often using irony, parody, and satire. For example, *The Daily Show* combines the news and comedy formats, *Family Guy* combines the children's cartoon and the sitcom, and *Reno 911!* combines the cop show with comedy.

The changes in the number of channels and their lineups have resulted in what media analysts call **fragmentation**, the process that divides audiences into small groups consuming specialized offerings. Cable channels, especially, engage in **narrowcasting**, broadcasting programs that appeal only to a specific demographic. For example, ESPN draws sports fans, BET caters to an African-American audience, and MTV targets young people with music videos and shows like *Pimp My Ride*. Some channels carry **syndicated material**, like *Golden Girls*, that appeal to senior citizens. Some critics have argued that fragmentation has eliminated the potential of a common, national culture in which everyone is watching the same programs and sharing the same experience of television viewing. They fear that audiences will exist in separate niches without exposure to any content that falls outside their narrow tastes and social and political interests.<sup>24</sup> Others argue that even when only three channels existed, their programming catered to a white, middle-class audience and did not reflect the diversity of American life, which is more evident in fragmentation.<sup>25</sup>

The centralized control over programming is in further transition with the advent of TV on Demand, recording devices that can be programmed according to users' interests, and the ability of users to access video content anywhere, anytime, through devices like computers, cell phones, and iPods. Tech-savvy users have more ability to inexpensively create, circulate, and market their own video programming, as can be seen on the popular webpage YouTube.

#### hybrid

A new form created from the combination of two or more different elements.

#### audience fragmentation

The division of audiences into small groups consuming more specialized offerings of diverse media outlets.

#### narrowcasting

Transmission of data, like a television program, to a specific demographic of viewers, listeners, or subscribers.

#### syndicated material

Programs made available for sale directly to stations or cable channels rather than distributed by networks to affiliates. Examples are *Xena: Warrior Princess* and *The Oprah Winfrey Show*. Discontinued network shows that have had long successful runs, such as *Cheers*, are also candidates for syndication.

## PROFILE

It appears one career is not enough for Bill Cosby. In his forty years as an entertainer, he has been a standup comedian; broken racial barriers as a costar of the 1960s television series *I Spy*; changed the face of television situations comedies with *The Cosby Show*; sold four million copies of his first book, *Fatherhood*, and two million of his second book, *Time Flies*; had two comedy albums in *Billboard's* Top 10; and been awarded eight gold records and five Grammy Awards as well as Emmy Awards for *I Spy* and *The Cosby Show*.

Much of Cosby's work is based on his family life and his experience as a father—areas he says he knows best. Cosby believes in keeping comedy and situation comedies clean, and he has been successful doing so.

Cosby was born in Philadelphia on July 11, 1937, and was the first of three boys. The family lived in a housing project, where, he says, their needs were met and there was no place for prejudice. His mother, Anna Pearl Cosby, was his role model; she raised the boys while working sixteen hours a day as a domestic. His father served in the navy.

Cosby was the captain of his high school track and football teams, but he dropped out of school in his sophomore year. He joined the navy, finished high school through a correspondence course, and received his GED. He went to Temple University on a track scholarship but quit three years later to concentrate on his comedy career. He later obtained his degree from Temple and went on to obtain master's and doctorate degrees in education from the University of Massachusetts. His wife, the former Camille Hanks, also has a doctorate in education. The Cosbys have four daughters; their son Ennis was murdered in 1997.



Bill Cosby

Cosby played the first minority lead role in television when he starred with Robert Culp in *I Spy* from 1965 to 1968. Before the series was over, he had won three Emmy Awards. Cosby went on to perform in other TV shows, several specials, and many successful concert performances. He also has recorded more than twenty comedy albums and has written four books during his career.

His most famous accomplishment was *The Cosby Show*, a family show in which the parents were strict but loving and children and parents learned from each other. Cosby took his idea to all three networks, but only NBC accepted it. By its second season, *The Cosby*

*Show* was the highest-rated weekly television series, attracting sixty million viewers. The show ran for eight years, from 1984 to 1992.

Today, Cosby is one of the richest people in the entertainment business, and he has been number one on *Forbes's* list of top-earning entertainers several times.

In 2004, Cosby garnered both praise and criticism for his remarks at an NAACP event marking the anniversary of the landmark Supreme Court decision, *Brown vs. the Board of Education*. In that speech, he urged African Americans to fix their own communities, including their speech and spending habits, to help young people overcome poverty.

*Sources:* Don Heckman, "Common Cos," *The Los Angeles Times*, June 11, 1995: sec., 8; Bob Thomas, "Cosby Talks," *Good Housekeeping*, February 1991: 167; and Todd Klein, "Bill Cosby," *Saturday Evening Post*, April 1986: 42.

## Advertising Market

Advertisers use media to persuade potential buyers. Television advertisers have traditionally addressed a mass market, and products that are advertised on television reflect such an audience. A popular actress, Betty Furness, opened refrigerator doors on television repeatedly during the 1950s to advertise Westinghouse refrigerators to homemakers; Procter & Gamble advertised its cleaning products on Ed Sullivan's Sunday night variety program in the 1950s and 1960s; and a new line of automobiles rolled across the screen each year on Dinah Shore's variety show sponsored by Chevrolet.

With the development of multiple cable channels and narrowcasting, advertisers use **demographics and psychographics** to target audiences. Although traditional demographics give advertisers some guidance in targeting audiences, some larger audiences are bound together more

### Key Concept

**Demographic and psychographic approaches to broadcast marketing** Research analysts looking for TV advertising markets identify program preferences using two common approaches: Demographic approaches stress statistical links between program features and factors such as age, education, income, and gender. Psychographic approaches stress links between programs and potentially measurable factors in audience lifestyles or in categories of personal likes and dislikes.

by attitude than by demographics. The Discovery Channel, for example, divides its audience not merely into people over and under fifty years of age, but into categories that include “scholars,” “practicals,” and “boy’s toys.”<sup>26</sup> In 2006, IBM released a report on the future of television that divided viewers into two main categories that would continue to influence the medium. The “lean back” segment, or “massive passives,” have lifestyles that do not make them likely to change their television viewing habits. The “lean forward” segment consists of the “gadgetiers,” affluent working parents with a fondness for TiVotoGo and iTunes, and the “koolkids,” tech savvy-teenagers whose interactive media activities revolve around the mobile phone.<sup>27</sup> These categories are shaped by both age and lifestyle behaviors.

**Advertising and Television Content** Networks and stations sell time for ads, known as *spots*, during a television show, and product placement strategies are often used to reinforce their message. Attracting 41.6 percent of all households, the 2006 Super Bowl was accompanied by ads from Coca-Cola, Anheuser-Busch, McDonald’s, and others, who paid an average of \$2.4 million for a thirty-second spot.<sup>28</sup> Advertisers are attracted to the Super Bowl because it can target a large, diverse audience. During the game, advertisers included Dove’s Self-Esteem Fund, thus acknowledging the large female audience. Super Bowl advertising also reveals the way a large media conglomerate markets across its many businesses. Owned by the Disney Corp., ABC ran spots for its other business properties, like Buena Vista films and Mobile ESPN. One of its commercials used Steelers and Seahawks players saying “I’m going to Disney World.”

With new technologies and delivery systems that allow viewers to flip past or block advertising, many advertisers are moving beyond the traditional thirty-second spot to experiment with different marketing strategies. Greater effort is made to integrate advertising into television shows, so that the products are visibly featured and actors promote them. For example, in 2006, Hewlett Packard signed on as sponsor of the MTV game show, *Meet or Delete*, in which participants selected dates, roommates, or band members based on what information people had stored in their computer files, such as links to websites and music lists. Hewlett Packard products were featured in each episode, which ran on three MTV networks as well as on its wireless platforms and mtvU.com. ABC’s *Extreme Home Makeover* featured products from its sponsor, Sears. For these kinds of shows, companies may pay all or part of the production costs.

Advertisements are also made to look like television shows, featuring characters and a plot that evolves in a series of spots. The hope is that such advertainments will involve viewers so much that they won’t switch the channel. A question for the television industry is whether viewers would rather pay for programs without advertisements or receive programs with advertisements for free. However, the line between television program and advertisement is not as clear as it once was.

**Audience Measurement and Station Survival: The Ratings Game** Measuring audience demand for particular programs is important because prices charged for advertising are based on the number of households and people watching. The measurement also helps programmers evaluate the demand for various types of shows. If crime dramas get high ratings one season, more such programs will surely appear the next season.

A. C. Nielsen Media Research dominates the audience measurement business. Nielsen measures viewing of programs and breaks down the number of viewers into a variety of demographic and psychographic categories.

Using statistical techniques, the Nielsen reports can tell an advertiser that in October 2005, *Invasion* was the most popular new show among 25–54-year-olds in Boston, while *My Name is Earl* was the most popular show among the same demographic group in New York.<sup>29</sup>

Nielsen uses a variety of techniques to measure audiences. These include diaries, people meters, and set-tuning meters.

- *Diaries.* Viewers keep pen-and-pencil journals detailing what they are watching. In 2006, Nielsen announced that it was phasing out pen-and-pencil diaries in the 154 smaller markets where it still used them.
- *People meters.* People meters measure what is being watched and who is watching. A box is placed in five thousand randomly selected households in the United States. Each person presses a button to record when he or she is watching.
- *Set-tuning meters.* Nielsen places these meters on the back of TV sets in randomly selected households in the forty-nine largest TV markets. They record what is watched on a daily basis.<sup>30</sup>

Nielsen Media Research measures audiences for television much the way Audiotron measures audiences for radio, except that the unit measured for television is sometimes the household as well as individual people. In addition to the number of viewers watching a program, Nielsen reports findings in the form of ratings (the percentage of TV households in a market watching a program). In the week of July 31, 2006, Nielsen reported that among African Americans, the most popular show was the NBC *NFL Pre-Season*, attracting 9.2 percent of 13,280,000 African-American television households. That rating included DVR playback up to 3 a.m. on the next day.

Nielsen also reports its findings in the form of shares, the percentage of households watching television that are tuned to a particular channel. Shares are significant figures because they show how viewing is distributed across channels, and they can be compared across markets. For example, in May 2006 in Toledo, Ohio, WTVG-TV beat out its rival, WTOL-TV for the first time since 2003. Among twenty-five to fifty-four-year-old viewers, WTVG's audience share for its newscasts was 28 percent compared to 19 percent for WTOL.<sup>31</sup> This was good news for WTVG, since the twenty-five to fifty-four-year-old demographic is the biggest target for advertisers.

Nielsen's rating system is undergoing change because of convergence technologies like streaming video on the Internet, video-enabled portable devices, video-on-demand, and DVRs. In 2006, the company began combining data measurements from Internet and television usage, and testing software and wireless meters. This data could be used, for example, to monitor the way viewers access both a television channel and its webpage or playback programs on their iPods. The company also began to monitor the television habits of college students, who watch television away from home.

The accuracy of audience measurements can be a controversial issue. Different methods and meter placement can produce different ratings and shares. Advertisers require that ratings be measured by an independent company because stations might inflate their own audience measures to increase ad rates. At times, Nielsen Media Research has come under fire for monopolizing the ratings industry and for an alleged bias and inaccuracy in its sampling.

## SUPPLYING THE AUDIENCE'S DEMAND

Supplying the demands of the consumer market and supplying the demands of the advertising market are intertwined. Sometimes, while trying to target (attract) a certain segment of the audience, television executives manage to deter other segments, causing lower ratings and decreased advertising support. This happens when networks provide programs to attract specific age groups, but it also can occur with other types of demographic groups.

In 1999, the National Association for the Advancement of Colored People (NAACP) began monitoring the participation and representation of African Americans in television. In 2006, the organization noted that the fall lineup of ABC, NBC, CBS, and Fox had no sitcoms starring African-American actors. Furthermore, the merger of UPN and WB programming into the new CW network eliminated several of the African-American comedies that UPN had featured.<sup>32</sup> Unlike UPN, which targeted African Americans, the CW targeted eighteen to thirty-four-year-old baby boomers. Broadcast

stations are supposed to serve the general public, but because of discriminatory hiring practices and content that reflects the interests of targeted advertising groups, the issue of minority representation on television may continue to cause controversy.

## Station Organization

Most television stations contain six core departments. The size of each department depends on how big the station is. The engineering department manages the technical equipment used by all departments, especially the news and programming ones; the news department produces newscasts and public affairs reporting; the programming department buys and produces content to attract viewers for advertisers; the advertising or sales department solicits advertisers; the business office maintains financial records; and the promotions department uses advertising, special events, and public service to attract viewers and develop a positive image of the station.

## Television Transmission Technologies

Television, just like newspapers and magazines, has to be distributed to the audience. Television transmission technologies can be either wireless, such as broadcast, microwave, and satellite, or wire based, such as coaxial or fiber-optic cable. Many of these technologies are used in combination with each other.

**Over-the-air Broadcast** Over-the-air broadcast television, including both ground-based and satellite television, is similar to broadcast radio in that the information is transmitted from a station antenna on a specific radio frequency, or channel, to an antenna on a television or a satellite. The FCC assigns a portion of the spectrum to each television channel: 54–88 MHz for channels 2–6, 174–216 MHz for channels 7–13, 470–890 MHz for UHF channels 14–83. Broadcast television stations share the airwaves with other users such as radio stations, mobile communication companies, wireless computer networks, garage door openers, and heart rate monitors. With the advent of many new wireless technologies, these airwaves have become an important issue.

Before 1998, all broadcast television stations used analog technology to transmit their signals. By 2009, all television stations in the United States will have moved from **analog technology** to **digital technology**, as mandated by the U.S. Congress. **Digital television (DTV)** improves the quality of the picture by increasing the number of lines on the screen and facilitates the convergence of television, personal computers, and portable devices. The switch affects the spectrum because digital signals, using the MPEG-2 compression system, free up air space for other uses such as advanced wireless and public safety services. Providers can use a DTV channel either as a single **high definition television (HDTV)** channel or as a carrier for several subchannels. Changing to DTV disproportionately affects lower income senior citizens, African Americans, and Latinos who have analog televisions without converter boxes for digital signals. In 2006, the FCC had begun work on a program to provide coupons for converter boxes to eligible households; however, analog televisions will eventually be phased out and replaced by digital televisions.

Another type of broadcast television is low-power television (LPTV), operating on conventional frequencies but covering distances less than fifteen miles. LPTV stations are comparatively inexpensive for both producer and viewer, and have fewer FCC regulations on content. Confined to a local area, they are often operated by schools, local governments, businesses, religious groups, and individual citizens. In 2006, Telemundo, the second largest Spanish-language network, owned nine LPTV stations.

**Cable Transmission** Cable television transmits its programming through coaxial or fiber-optic cables instead of broadcasting it over the air. Cable transmission has several

### Key Concept

**Digital television (DTV)** Digital television converts TV programming into a digital format rather than the analog format used since television was invented. By sending the programs as a series of ones and zeros, the picture is sharper than it would be with analog distribution. All TV programming must be digital by 2009.

#### analog technology

Transforms one form of energy into another to transport content, as when a telephone converts sound vibrations into electrical vibrations.

#### digital technology

Transforms information into binary form, as when computers convert sound vibrations to 1s and 0s.

#### high-definition television (HDTV)

Digital transmission that produces the highest level of TV reproduction quality.

advantages: Cables, strung on utility poles or laid underground, are not subject to line-of-sight obstruction or most other electronic interference; two-way interaction back and forth along the same cable is possible; and a subscriber can receive many channels, typically sixty-five but sometimes as many as two hundred, from one cable system instead of one channel from one broadcast station.

Digital cable technologies have created the possibility for transmission of 1,000 channels in a system and fostered convergence of radio, phone, computer, and television. Because of the capacities of fiber-optic cable, cable companies provide **broadband** Internet access and voice-over-Internet-protocol (VoIP) phone service. Analog-to-digital conversion has also facilitated video on demand (VOD) that allows viewers to watch programs when they choose.

In the late 1990s, cable companies upgraded their cable equipment to broadband networks that could carry high-speed Internet, two-way voice, multichannel and advanced video services. At the beginning of the new century, the companies continued to expand into VOD, interactive and high definition TV, and VoIP telephone.

**Direct Broadcast Satellite (DBS)** Like broadcast television stations, DBS systems are wireless, using a radio signal to transmit programming, in this case from a large antenna on a satellite to a smaller antenna. Satellites provide a relatively inexpensive way of transmitting information nationally or globally and have made instantaneous global communication possible. Most communications satellites orbit 22,300 miles above the equator. At this distance, they seem to remain stationary over one point on Earth. As a result, these satellites can continuously receive uplink signals from Earth dishes and send downlink signals to Earth dishes within their footprint. The *footprint* is the geographic area that can be covered by a satellite.

The number of DBS subscribers grew from 5.3 million in 1997 to 24.95 million in 2005. Prediction is that this total will reach 39.8 million by 2010.<sup>33</sup> The accuracy of this prediction will depend on competition from cable and telephone firms.

**Multichannel Multipoint Distribution Service (MMDS)** MMDS, also called wireless cable, uses microwave frequencies that are picked up by a special antenna and a set-top box on a television set. Initially designed for cities that did not receive cable, MMDS had less expensive installation and start-up costs. In 2006, the FCC began re-allocating MMDS frequencies to Advanced Wireless Services (AWS-1), a wireless technology that facilitates convergence of mobile data services, video, and messaging for portable devices like cell phones. Sprint Nextel owns most of the spectrum allotted for MMDS.

**Internet Protocol Television (IPTV)** With IPTV, high quality video is delivered through an Internet protocol (IP) broadband network. Telecommunications companies are upgrading their equipment to deliver IPTV, competing with cable and satellite distribution companies for a share of the market. In 2006, the technology was still developing in the United States, but China, Hong Kong, Taiwan, and Italy had functioning IPTV networks.

#### broadband

Fiber-optic cable with the capacity to carry large amounts of information.

## Supplying News and Information: The World in Our Living Rooms

### Key Concept

**TV news and information formats** TV information programming has evolved from a variety of formats ranging from the traditional evening and morning news shows to variations such as documentaries, interviews, and newsmagazines.

Local stations, national networks, cable and satellite networks, and news syndicates generate programming in a variety of **TV news and information formats**. Local stations usually produce their own community news, and satellite technology allows them also to carry national and international news. CNN, Fox News Network, and MSNBC use cable and satellite technology that provides twenty-four-hour access to news. TV news syndicates take the form of either a video exchange by local stations joined in a cooperative or a pay service.

Television networks supplement their programming with round-the-clock news through their webpages, e-mail and text alerts, and RSS feeds.

**Evening Newscast** The evening news format, as exemplified by the network shows featuring anchors like Katie Couric, is the most basic news presentation model. Chet Huntley and David Brinkley popularized the anchor format, in which one or two anchors present the news, usually with video or other visual accompaniment.

Local stations have their own news teams. Teams include the anchors and supporting team members who report on local weather, sports, and other topics, such as health and consumer information. Station reporters videotape reports or report live from story sites. There also may be remote feeds, usually from stations affiliated with the same network, for stories of special interest.

**News magazines** Magazine programs contain several stories in each segment. Newsmagazines reached the level of prominence they enjoy today in the late 1990s. Magazine programs such as *Dateline NBC* air more than once a week, and they often receive high ratings, especially during summer when most entertainment programs are reruns.

The shows vary in the degree of hard and soft news they carry and in the degree of sensational treatment. However, they are profitable because they cost less money to produce than a prime-time drama, and they allow the networks to share the high salaries of news personalities among several programs.

**Interview Shows** *Meet the Press* and *Face the Nation*, in which journalists interview one or more prominent people in the news, are some of the longest running programs. They provide the public with the opinions of prominent politicians, military leaders, and other important public figures. In doing so, these programs serve the marketplace of ideas.

**Morning Shows** Since 1952 when the *Today Show* first aired, television viewers have been waking up to morning news shows. While the evening news has experienced declining viewership, the morning new shows, like *The Today Show* and *Good Morning America*, provide most of the ad revenue for the networks' news divisions. They appeal to more affluent women, and are more likely to carry news about runaway brides than a hard-hitting expose of war casualties.

**Tabloid Television** Tabloid television includes confrontational talk shows such as *Jerry Springer*, Hollywood gossip shows such as *Entertainment Tonight*, and so-called reality-based shows such as *Cops* and *America's Most Wanted*. These are inexpensive to make, easy to syndicate, and wildly profitable.

## Supplying Entertainment

**Entertainment Formulas** Television programming goes through stages of development, including funding and contract negotiations, casting, and scripting, usually by staff writers. It then moves into production, including taping and editing. The process can generate creative ideas, but they tend to become **entertainment formulas**, repeated until the audience grows tired of them. Costs are high and risks are great. When a network's new show pulls good ratings, other networks quickly produce shows with similar plots or casts of characters.

With the large number of broadcast and cable channels available, viewers see several different types of formulas generating copycat programming during the same season. For instance, the fall primetime lineup in 2006 was full of formulaic spinoffs. The reality-TV genre remained strong, with *America's Next Top Model*, *Survivor*, *Dancing*

### Key Concept

**Entertainment formulas** Because of financial risks, producers of television entertainment tend to rely on standard entertainment patterns or formulas that have been successful in the past. They often extend adult formulas into entertainment for children; if violent programs attract young adult audiences, a similar violent format may be used in children's programs.

## How Real Is Reality TV?

Reality TV is rooted in a television past that included PBS's *An American Family*, which taped the daily upheavals of the Loud family, and *Candid Camera*, which secretly recorded people making fools of themselves in rigged situations. The more contemporary form of reality TV took off in the 1990s, with shows like *Real World*, *Big Brother*, and *Survivor* that threw strangers together in an environment, sometimes as part of a contest. The promise of reality TV is that it truthfully shows ordinary people and reveals just how contrived other television programs are in contrast. But just how real is reality TV?

A critical look at a show like *Survivor* suggests: Not much. Though the show asks viewers to forget the contrivances like cameras, editing, and lighting, they are important in shaping the viewer's experience. Seventy-two hours of footage are taped for every *Survivor* episode, and in the editing process, shots are chosen and altered to enhance the drama of the plot and make the characters look good. *Survivor*'s executive producer, Mark Burnett, has admitted that some scenes are reenacted with hired actors. The "Tribal Council" at the end of each episode uses props and a highly dramatic set-up. During the first season of the show, footage was rearranged to build suspense. Burnett himself uses the word "dramality" rather than "reality" to describe his show.

In 2004, the Writers Guild of America, a union that represents Hollywood screenwriters, began efforts to organize staff members who worked for reality TV shows. These staff members, the Guild argued, worked longer hours with less pay than other writers in the industry. But were the "story editors" for reality TV shows really "writers"? Over time, more details of how reality TV shows are made began to emerge from the clash.

When the staff producers of *America's Next Top Model* went on strike in July 2006, they argued that they actively script the show, line by line, from the available footage, adding drama, deciding how characters should be portrayed, and inventing "red



herrings." Therefore, they deserved the same working conditions as any other scriptwriter.

While the unreality of reality shows is obvious to many savvy viewers, most are not aware of the extent of the manipulation, which brings into question the difference between a contrivance and a transparent reality. Yet many viewers still search for social truths in *Survivor*, even when the contrivance is obvious. When the show presented teams divided by race, critics acknowledged that it was a gimmick to obtain more viewers and others were appalled at the calculated divisiveness. Yet some argued that the show was acknowledging the truth of a segregated society. Lewis W. Diuguid, of the *Kansas City Star*'s editorial board, wrote that *Survivor* was an "honest view" that revealed how the set-up destroyed black unity and "enabled whites to maintain dominance and control over blacks, causing blacks to forever fall behind."

Sources: Lewis W. Diuguid, Editorial, *Knight Ridder Tribunes Business News*, September 20, 2006: 1; Christopher J. Wright, "Welcome to the Real: Simulation, Commodization, and *Survivor*," *Journal of American Culture* 29 (2006): 170–183; Gloria Hillard, "America's Next Top Strike: Reality Show Writers," NPR, August 15, 2006, npr.org.

with the Stars, Trading Spouses, Wife Swap, Extreme Makeover: Home Edition, and Nanny 911. Comedies retained much of their favorite 8–9 P.M. slot with *The Class*, *How I Met Your Mother*, *Ugly Betty*, *'Til Death*, *Happy Hour*, *America's Funniest Home Videos*, *Everybody Hates Chris*, and *All of Us*. Crime investigation dramas remained popular. CBS featured *CSI: Crime Scene Investigation*, along with its spinoffs, *CSI: Miami* and *CSI: New York*. ABC had the now venerable *Law & Order* spinoffs, *Criminal Intent* and *Special Victims Unit*. *Bones* melded together forensic shows, like *CSI*, with hospital dramas like *Grey's Anatomy*.

**Entertainment Programming** Entertainment programming includes prime-time network shows, which run between 8:00 and 11:00 P.M. EST. Syndicates' prime-time shows are first-run shows that are sold through syndicates and not by networks. Other programming is composed of syndicated reruns, which are former or current successful prime-time shows that produced enough episodes to run five days a week. Still other programming includes movies, sports programming, and public broadcasting.



Who produces entertainment programming? Overwhelmingly, television shows have been produced by Hollywood studios. However, freed from regulation during the early 1990s, networks began producing more of their own television programs. This allowed them greater control of the program content, but it also raised concerns among independent producers. With network-produced shows taking up more time slots, networks will buy fewer independent programs. As media companies have merged, corporations increasingly look to own a production company and a television company to distribute the film and video. For instance, Disney owns ABC, News Corp. owns both the Fox Network and Twentieth Century Fox.

**Social Issues and Entertainment Content** Although First Amendment considerations prevent government action in most content areas, Congress and public interest critics have repeatedly raised concerns about the impact of sexual and violent content on television, particularly its effects on children.

Programs aimed at young people typically emphasize relationships between boys and girls, which translates on television into sex. MTV has been successful in attracting young viewers with relational programming such as *Real World*. This age group is attractive to advertisers because teenagers spend much of their money on consumer goods and services. These programs also attract teenagers who see themselves as young adults. Proponents argue that these programs introduce social issues and teach teenagers how to deal with them. Critics are quick to point out that choices made by the characters seldom have lasting consequences and are unrealistic.

The public and Congress express even greater concern about the impact of programming on young children, particularly in regard to violence. Some people argue that parents should monitor what their children watch, others support installing V-Chips that can block specified programming, and still others advocate outright control of content production.



*Extreme Makeover: Home Edition* features products from its sponsor, Sears.



The high ratings of a show like *CSI* may encourage television networks to create spinoffs, like *CSI: Miami* and *CSI: New York*.

Increased concern about the influence of television content on children and the impact of violent programming on society led to a television program ratings system in 1997. The television industry developed the system not out of altruism but because the 1996 Telecommunications Act mandates a system that can be used with the V-Chip, which allows television broadcasts to be filtered according to a ratings system. For example, use of the chip would block children under fourteen from viewing shows like *The Simpsons* and *Family Guy*.

The Motion Picture Academy of America helped to develop the ratings system, which is similar to the one used for movies. The system has been adopted by the networks and most basic cable channels. The system has six levels that are indicated by icons in the upper left corner of the TV screen during the first fifteen seconds of the program. The levels are based on age and run from TV-Y, which means that the program is suitable for all children, to TV-M, which means that it is not suitable for children under age seventeen. Table 7.2 lists all of the new ratings.

The ratings system has not received unanimous support. Critics argue that the ratings should address content more specifically and that separate ratings should be available for sex and violence. Others argue that determining the suitability of TV content should be left to parents, not a ratings system.

In 2006, as the television industry faced sharp pressure from the FCC to protect children from indecent programming, it began public service announcements to promote use of the V-Chip, which few people used. With the suggestion of the FCC, some cable operators also began putting together packages of family-friendly programming.

## Supplying the Advertising Market

Several different entities—networks, groups, individual stations, and cable systems—sell advertising time. The price of the time varies with the geographic location and type of audience, which also varies in kind and number with the time of day. For example, advertising time within a network show is much more expensive than time within a local show because of the larger, national audience that the network can reach. The price for an ad within a Chicago local program would depend on the size and demographics of the audience.

**Table 7.2** Television Ratings

**TV-Y—All Children:** The program is suitable for all children. It should not frighten young children.

**TV-Y7—Older Children:** Designed for children age 7 and older; may contain mild physical or comedic violence that may frighten children under 7.

**TV-G—General Audiences:** Program is appropriate for all ages. It contains little or no violence, no strong language, and little or no sexual dialogue or situations.

**TV-PG—Parental Guidance Suggested:** Program may contain limited sexual or violent material that may be unsuitable for young children.

**TV-14—Parents Strongly Cautioned:** Program may contain some material that many parents would find unsuitable for children under 14 years old.

**TV-M—Mature Audiences Only:** Program is specifically designed to be viewed by adults and therefore, may be unsuitable for children under 17.

The number of viewers a particular program attracts determines the fee that the network or station charges advertisers. The formula for determining the **cost per consumer** is called the cost per thousand (CPM), which is the dollar amount it costs to reach a thousand viewers with an ad. Take, for example, a thirty-second advertisement on *CSI: Miami*. The charge for such a spot in 2006 was about \$465,000.<sup>34</sup> On a good night, the program might reach 14 million viewers. The cost per thousand viewers would be \$14.66. Here is the formula broken into two parts:

$$\frac{\text{Total number of viewers}}{1,000} \quad \text{Example: } \frac{14,000,000}{1,000} = 14,000$$

$$\frac{\text{Cost of ad}}{\text{Result of first equation}} \quad \text{Example: } \frac{465,000}{14,000} = \$33.21 \text{ per thousand}$$

The same formula can be used for radio, magazines, and newspapers. Thus the cost of reaching a thousand people with a TV program can be compared to the cost of reaching the same number of people in other media. The higher a show's rating, the more a station can charge for a minute of advertising, as long as the CPM does not become too much higher than that of other media.

Television regulation also affects how stations and networks supply the advertising market. For example, cigarette advertising is prohibited. Cigarette manufacturers got around the ban on television advertising by putting cigarette ads in football stadiums, baseball parks, and basketball arenas, which appeared on TV. The Justice Department said that Philip Morris had ads placed near the field or scoreboards in fourteen football stadiums, fourteen baseball parks, and five basketball arenas. In 1995, Philip Morris agreed to remove such advertisements.<sup>35</sup>

The latest move toward regulating advertising concerns liquor advertisements. From 1948 until 1996, the companies that produce distilled spirits voluntarily refrained from advertising on television. But in fall 1996, Seagrams ran advertisements for Chivas Regal Scotch in Texas and Massachusetts, sparking the FCC commissioners and members of Congress to consider regulating liquor advertising. The FCC deferred to the Federal Trade Commission (FTC), which urged the alcohol industry to regulate its own marketing practices to protect young people from exposure. However, in 2004, young people viewed 196.6 alcohol ads on average, a steep increase from 2001.<sup>36</sup>

## TELEVISION AND THE INTERNATIONAL MARKET

The worldwide spread of television is due to many reasons, including national and local politics, technological inventions and infrastructures, and cultural traditions and expectations. **Market factors** such as the rise of media conglomerates and the greater availability of content have helped shape the globalization of television. Wealthier countries like South Africa have complex, multifaceted broadcasting, cable, satellite, and multimedia systems. Poor countries like Namibia do not have a heavy investment in television, and their citizens rely more on radio. Some countries have television stations owned by the government, which controls information. In others, a single media corporation dominates the television market.

### Key Concept

**Cost per consumer in the TV advertising market** The key factor in selling TV advertising is how much it costs to reach a single consumer. Therefore, the number of viewers a particular program attracts determines the fee charged to advertisers. Some of the most expensive ad spots are in Super Bowl broadcasts, which attract enormous audiences.

### Key Concept

**Market factors in international television** Satellite transmission technology and international corporate mergers have made television a worldwide force. Key factors include ownership and availability of satellite services, broad access to content through mergers of production companies, and the development of international television content through cooperative global conglomerates.

# Media Convergence

## The Broadcast Flag

The FCC approved a regulation in 2003 that would require all digital TV devices to recognize “broadcast flags.” Broadcast flags are codes in the video data stream that tell a device, like a digital video recorder, that the content is protected. Depending on the broadcast flag, a user might not be able to play back or record a broadcast. If the flag allows the user to record the broadcast, she might not be able to transfer it to other devices, even in the same household network. The FCC’s decision was fueled by the motion picture industry’s concerns that digital TV and downloading would make it easier for pirates to copy and sell movies.

In 2005, the Supreme Court ruled that the FCC did not have the power to impose broadcast flags on consumer devices, but the U.S. Congress took up the issue again in 2006. The specific target was unauthorized recording and distribution of high definition radio and satellite radio broadcasts, but a favorable ruling would give the FCC power to impose broadcast flags.

The motion picture industry and television and radio providers argue that such protections are necessary to protect their intellec-

tual property rights and that illegal copying damages them financially. But critics claim that such measures impinge on “fair use,” which allows limited use of copyrighted materials for certain purposes like parody, education, and research. The broadcast flag would impose more restrictions than currently exist for older video recording devices. For example, users could be forbidden from excerpting clips and using them in their own creative videos. Amateur engineers would not be allowed to build their own devices and networks without implementing broadcast flag technologies.

The controversy highlights competing views of copyright as users become more involved in selecting, saving, and altering audio and video. Whether broadcast flags are finally implemented or not, the debate over fair use will continue, as new digital technologies threaten control over content ownership.

*Source:* Wendy Seltzer, “The Broadcast Flag: It’s Not Just TV,” *Federal Communications Law Journal* 57 (2005): 209–214.

## Availability of Distribution Systems

At the center of global television proliferation are companies such as News Corp., which provides service in North America, Latin America, Asia, Australia, and Europe. About half of its business comes from the United States. News Corp. and other satellite companies use eighteen-inch satellite dishes to provide packages of channels to viewers in a variety of countries and are able to reach audiences without the expensive task of laying cable. Such corporations wield enormous power. Although NBC challenged News Corp.’s right to own U.S. TV stations, arguing that it violated FCC



The spread of global communication systems has allowed viewers to share the experience of television events like the World Cup.

regulations because it was foreign owned, NBC dropped its complaint after News Corp. agreed that NBC could use Star Television's satellite to reach Asian markets.

## Availability of Programming

Satellite broadcasting has made it possible to send and receive news from around the world. In 1980, CNN, based in Atlanta, Georgia, introduced the then-revolutionary concept of worldwide twenty-four-hour news, and now has twenty-six foreign bureaus and reaches about two hundred countries.<sup>37</sup> Other networks have followed suit. For example, Al Jazeera, known as the Arabic CNN, broadcasts its uncensored and often controversial news to thirty-five million viewers from its home in Qatar.<sup>38</sup> Global twenty-four-hour news has made it possible for millions of fans all over the world to share the experience of the World Cup, watching the game in airport kiosks and bus stations.

Programming in various nations is as diverse as their citizens, though increasingly, television content flows across cultures and some formulas are copied from country to country. Endemol, a company in the Netherlands, introduced the reality show *Big Brother* along with *Fear Factor*, *Deal or No Deal*, and *Extreme Makeover: Home Edition*. Seven years after its debut in 1999, *Big Brother* had ten versions worldwide and reached viewers in dozens of countries.

## Cultural Resistance

Many of the cultural debates around worldwide television explore how local cultures make sense of global television programming, including brand-driven advertising. An argument that often surfaces, especially among traditionalists, is that a glut of messages from wealthy countries like the United States is damaging the morals of the young and erasing languages, national identities, and cultural modes of expression. In this way, wealthy countries use **softpower**, or media persuasion, to influence cultures, or even engage in **cultural imperialism** as an act of domination. Religious and political leaders may use this argument to prevent the influx of foreign television programming, but opinion is often divided. In the Middle East, some opinion leaders argue that Western media is a cultural invasion which must be prevented, while others want to embrace it or adapt it to suit the interests of the people.<sup>39</sup> Studies of media reception in many countries, like India and China, have suggested that people are active in choosing, creating, adopting, and moderating media messages to suit their own cultural differences as well as create new global identities.

### Key Concept

**Cultural imperialism** Cultural imperialism is the forcing of one country's cultural values on another country through dominance of media content. For example, many young people around the world imitate U.S. culture because of what they see on U.S. television programs and movies.

### softpower

The use of media persuasion, rather than violence, to promote a nation's interests.

## TRENDS

The television industry is in a state of flux, facing new technologies that are transforming the way video can be sent, new government regulations on ownership and content, and the demands of an increasingly diverse nation.

## Technology

The greatest change to television will come from faster broadband connections, which have made streaming video possible. Broadband reached 2.6 million households in 1999, but by 2005 had reached 31 million. In 2010, that number will have more than doubled.<sup>40</sup> This has raised the question of whether the Internet will become television's key delivery system. Because of these changes, over-the-air broadcast, cable, and satellite companies are competing with phone companies to reach households with combined voice, Internet, and television services. Regulatory and licensing decisions

by the FCC will affect who gets to own what and who has what access to households. Some citizens who can't afford or interact with new technologies may be left behind, and others will not adapt. Older forms of content, such as the thirty-second advertising spot, may fade away. By 2010, many forms of video will be widely available, revising the way we think of television.

## Technology: Interactivity

Digital technologies are providing more opportunities for interactivity. Advertisers, business managers, and media analysts often call this a transformation from “push” to “pull.” Since *Wired* and *Business Week* introduce the terms in 1997, they have proven useful metaphors. The old broadcast medium was more “push.” Couch potatoes sat back and passively received the programming from their television sets without much effort. The delivery of content was pushed on them. In some ways, push is seen as desirable because many people may want just to relax or don't want to waste a lot of time fiddling around with difficult media delivery systems. In the new digital media, the emphasis is on pull. Active users like to manipulate gadgets and selectively interact with content. This means big changes in the way content such as advertising is shaped and delivered. Push vs. pull is often connected to a divide in generation and lifestyle. The new digital mediascape is a combination of push and pull, so that a viewer may be passively watching a video on YouTube, but be inspired to respond to an advertising message by clicking on a link.

### Key Concept

**Interactive television** The ability of computers and TV sets jointly to send messages to and receive messages from the company that provides the television signals. Typically, viewers can access video on demand and interact with program hosts and audiences in studios.

**Interactive television** can be as simple as switching channels with the remote, ordering a movie, blocking programming, or selectively recording and editing programs. However, services are expanding to include other possibilities, such as providing a portal for video game play or an advertising link on a television screen that can be clicked with the remote. Advertisers envision an interactivity that will allow them to customize these messages for targeted viewers, keeping track of their habits over time. Because these innovations

may include advertising aimed at children, regulators are concerned. FCC head Michael Copps described the future at the Children Now forum in 2006: “Picture this: A child turns on a TV show, an icon pops up, the young viewer pushes a button on the remote and is immediately transported from the television show to a lavish Internet emporium where jingles, games, and commercial products are available to tease, manipulate, sell, and satisfy every desire.”<sup>41</sup> However, full interactivity will require television companies to invest in upgrades. Marketers have not yet determined how much interactivity audiences want, what types of interactive programs they will watch, and how willing they will be to use and pay for complex technologies.

In the “pull” environment, viewers interact with television shows using other devices as well. For example, viewers can vote on *American Idol* contestants using text messaging from their cell phones, play online against game show TV contestants, or post online chat messages that then appear on shows such as *Star Trek 2.0*. They may also visit the websites of their favorite shows to chat and blog, and may set up their own websites to gossip about celebrities, post clips, and discuss plots. With digital camcorders, they can produce their own videos inexpensively and easily upload them onto video sites. With the popularity of sites like YouTube and Google Video, this user-generated content is gaining importance. In 2005, Al Gore founded Current TV, a cable and satellite aimed at providing a forum for young people and inviting them to submit short video “pods.” A third of the programming comes from viewers, who can upload video onto Current TV's website. Community members vote on which new pods will be shown. Other networks are featuring viewer-generated content in their regular news and entertainment programming. While the idea has been around since *America's Funniest Home Videos* and *MTV News Unfiltered*, the advent of digital technology, combined with the popularity of social networking, has greatly increased the interest in user-generated content and interactive television.

## Culture: Media Ownership

Media ownership is a contentious political issue. Some argue that regulations against ownership suppress competition and are outdated in an environment of sweeping change as old media converge into new media. Others hold that the increasing consolidation of media ownership puts too much political, economic, and cultural power into the hands of a few.

The passage of the Telecommunications Act of 1996 guaranteed massive changes in television station ownership and the mix of delivery services. The act changed regulations governing broadcast television and cable ownership, programming, and cable rates. The far-reaching law affects all areas of the television industry and will alter the nature of the industry well into the twenty-first century.

Old rules limited companies to ownership of twelve TV stations reaching up to 25 percent of the national audience. The 1996 act eliminated the limit on the number of stations one entity could own and increased to 35 percent the national audience a company's stations could reach. Companies quickly grew in size, and the broadcast lobby continues to push for a higher national audience percentage, which will make the media corporations even bigger.

As a result of the act, networks and TV stations now can own cable systems, and cable systems can own TV stations. A network can own a second network, provided it starts the second one rather than buying an existing network. The law also requires the FCC to consider whether it should relax the rule against a broadcaster owning only one TV station in a market. The FCC has taken a liberal stance toward ownership of a TV and radio station in the same market.

The conglomeration of media described in earlier chapters also affects television as a result of the Telecommunications Act. Perhaps the most drastic changes are in the cable industry. With the ending of rate regulation in 1996, cable rates outpaced the inflation rate by 200 to 300 percent. The success of cable-rate deregulation hinges on telephone companies' ability to provide programming. Regional operating companies can deliver programs as a cable system, which will require a franchise agreement from local government, or as an **open video system**. Open video systems do not have to get local franchise agreements and are subject to limited federal cable regulations. In return for more freedom, the open systems make cable channels available to unaffiliated programmers without discrimination in one of two ways: The system operators can rent entire channels to programmers without control of the content, or the systems can make a channel available that will vary in its content. A person or group could buy an hour of time on a given day to broadcast any message that falls within the limits of the law.

Open video systems allow greater access to people and organizations that are not affiliated with an existing network or television station. Economists would say that this lowers barriers to entry for nonestablished businesses and will make content more diversified.

Just as telephone companies can enter the cable business, cable companies can provide telephone service. Existing telephone companies must negotiate with new service providers about interconnections and a variety of other issues required to keep telephone use simple.

Almost as soon as the 1996 act was signed, corporations began to lobby the FCC to deregulate even further. In June 2006, the FCC revisited its ownership rules, calling for public comment on proposed changes. These include removing the 35 percent cap on households a company could reach with "O and O" TV stations, removing the radio-television cross-ownership limit, allowing a company to own more than one network, removing the limits on the number of radio stations a company could own in a market, and removing the ban on local newspapers owning broadcast stations.

A similar effort to make these changes in 2003 was overturned in court and led to a grassroots movement against the deregulation of media ownership.

As part of its review of media ownership, the FCC began conducting research projects that highlight the potential cultural impacts of its decisions. For example, the

### open video system

A system that rents entire channels or time on channels to unaffiliated programmers without discrimination.

# Discussing Trends

As with most media, technological, economic, and content trends will dominate discussion of television's future. Of course, the three trends are intertwined. Ownership determines financial goals and corporation content strategies. Technology determines how those strategies can be pursued and who will have access to the content. Content affects who watches and whether the financial goals can be met. Here are some of the many questions confronting the television industry in the next decade:

- How has the transition to digital technology affected the nature of television?
- Has the public benefited from or been harmed by ownership concentration that has resulted from the FCC changing ownership rules?
- Are the changes consistent with the idea that television owes a service to the public?
- The 1996 Telecommunications Act was supposed to promote competition in the television distribution industry, but has that happened?
- What can the viewing public do to affect diversity in television content?
- To what extent has television made the transition to a push-pull model for users?
- What influence will portable devices like iPods and cell phones have on the delivery of television programming?
- How much interactivity do television viewers want? What kinds of interaction are most successful?
- What is the impact of social networking on television channels, including their shows and websites?
- What new strategies are advertisers using to reach television audiences?

FCC is studying the impact of changes in ownership on people's newsgathering habits, local communities, diversity in programming, independent programming, children's and family-friendly programming, and minority participation in the media.

## SUMMARY

- Television, as a medium and as content, has always been controversial in U.S. society.
- Television station licensees are charged with operating in the public interest.
- Getting the television industry on its feet after World War II was difficult because each important element (station owners, set manufacturers, programmers, consumers, and advertisers) was waiting for someone else to begin the process.
- Although blacklisting did not alter the structure of the television industry, it reminded television executives of their vulnerability and underscored the necessity for free expression.
- Three networks, CBS, NBC, and ABC, dominated television during the first forty years. This dominance declined during the 1980s and 1990s because of cable television and the advent of additional broadcast television networks.
- Early television programming borrowed from radio and was broadcast live.
- Early advertising took the form of sponsorship, and advertisers controlled the content of specific programs.
- Profitable entertainment formulas are often repeated, so that many television shows resemble each other.
- The traditional mode of television broadcasting is shifting to a multiplatform model with more user choice and interaction.
- Audiences are measured by demographic and psychographic approaches.
- The FCC has promoted technologies like the V-Chip and the broadcast flag in its efforts to regulate television programming.
- Television penetration is global, and news and entertainment are transmitted across borders.
- Young people are using video in new ways and are attracted to new kinds of programming.
- Audience measurement, such as ratings and shares, affects programming because it affects an advertiser's willingness to buy time in connection with specific programs.



## NAVIGATING THE WEB Television

You can find sites related to your favorite television programs, or you can use television websites to find information about the industry. There also are sites that lead you to current news and information and station promotion.

### **Broadcasting & Cable** **broadcastingcable.com**

*Broadcasting & Cable* is the television trade magazine. The online version contains information about the print version as well as some content from the print edition.

### **The Museum of Broadcast Communications** **museum.tv**

A site that includes an encyclopedia of television history and an archive of programming.

### **TV Guide Online** **tvguide.com**

This site provides information about current and historical television content. It is the online version of *TV Guide* magazine, which has a circulation of nine million.

### **TV Radio World** **radiostationworld.com**

This site is a directory for television and radio stations and networks around the world. It also provides information about technical information and regulations applicable to particular countries throughout the world.

## QUESTIONS FOR REVIEW

1. What is the difference between cable systems and broadcast stations?
2. What was the *Mayflower* decision and why was it important?
3. How do public and commercial television differ?
4. How does television measure its audiences?
5. What are the consequences of the federally mandated move to digital television?
6. What is a V-Chip?

## ISSUES TO THINK ABOUT

1. How has the primarily commercial ownership of television in the United States affected its development?
2. What changes do you see in politics since the advent of television? Do these changes foster democracy?
3. Has television news deteriorated, or is lower viewership merely reflection of changes in society?
4. How do varying distribution technologies affect the development of television content?
5. As television moves to the Internet, what changes do you see?
6. What will be the impact of interactive television?
7. What has been the impact of the Telecommunications Act of 1996?

## SUGGESTED READINGS

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