THE EVOLUTION OF TELEVISION PROGRAMMING IN THE AGE OF MEDIA DISRUPTION: THE EFFECTS OF CHANGING DISTRIBUTION MODES AND REVENUE MODELS

by

JAE HOON JEONG

(Under the Direction of Ann Hollifield)

ABSTRACT

With the recent rise of online television services, coupled with an increase in original drama and comedy series in the television industry, this study examined the impact of revenue models and modes of distribution on programming strategies and practices.

This study analyzed 1,655 cases of original programs released from the 2011-12 season to the 2016-17 season. Online television, SVOD services in particular, adopted a different approach to scheduling and selecting strategies and practices, providing more flexibility, controllability, and choices to viewers in the consumption of video content.

INDEX WORDS: Television, Programming, Online Television, Revenue Models, Distribution, Original Content, VOD, Netflix, Amazon, Hulu

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DEDICATION

This dissertation is dedicated to my wife, Jai-Kyoung “Jackie” Choi.

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CHAPTER 1

INTRODUCTION

With the rise of online television such as Netflix, Amazon,[1] and Hulu, viewers can have more viewing options for television programs. In addition to providing theatrical films and syndicated TV shows from studios and networks, these online television services are now investing in and offering original content to their customers, following the footsteps of cable networks such as HBO, Showtime, FX, and AMC.

In parallel with the rise of online television, the supply of original programs has been increased (Adalian & Fernandez, 2016). The growth in the numbers of original content indicates increased competition between television networks for attracting viewers' attention and acquiring subscribers. Online television services are recent participants in this race, betting on original content for a better competitive position against incumbents. Referring to the rise of online television, not only as a new video distribution outlet, but also as a new option for original content, media scholars use such terms as the coming of the "post-network era" (Lotz, 2014) or "post-TV" (Strangelove, 2015). Online television developed new programming practices, facilitating consumers to adopt new viewing behaviors such as binge-watching.

The impact of television on culture and society has been one of the main topic areas in academic disciplines such as cultural studies. From an economic perspective, television content is a vehicle for bundling advertisements or intellectual properties for financial gains. It can be

[1] Amazon, online retailer, provides two types of online video service, Amazon Prime Video and Amazon Video. Amazon Prime Video is a subscription video on demand (SVOD) service included in Amazon Prime membership service benefits. It is also available as a video-only subscription service. Amazon Video is an online video rental and retail service. This study focused on Amazon Prime Video for its original content.

artistic works for people in the creative side of the industry such as creators, writers, directors, etc. For viewers, TV shows can be affordable entertainment for diversion, relaxing, cultural or aesthetic enjoyment, filling time, emotional release, and arousal (McQuail, 1983). But it also can be sources for cultural dialogue and influence, reflecting social relationship and issues or sometimes setting new social and cultural trends. TV critics and media scholars in cultural studies and television studies tend to recognize certain types of programs, mostly exceptional ones, paying attention to aesthetic aspects and cultural meanings of television programs (DeFino, 2014; Edgerton & Jones, 2008; Leverette, Ott, & Buckley, 2008; Sepinwall, 2013). Thus, fundamental changes in the nature of the content being produced and distributed has the potential to also impact society.

Against the backdrop of the rise of online television and the proliferation of original content in the television industry, this study examines the differences and similarities between online television and traditional linear television in original content programming strategies and practices. It focuses on the impacts of technological factors such as modes of distribution and economic factors such as revenue models on the original content offered to viewers.

Historically, cable networks have developed original content in competition with broadcast networks (Mullen, 2003). For example, the premium cable network HBO, relying on a cable and satellite distribution and subscription revenue model, initiated a new trend of original content offerings differentiated from broadcast networks' original content in terms of theme, style, and quality, exemplified by such TV shows as *The Sopranos* and *Game of Thrones* (DeFino, 2014; Edgerton & Jones, 2008; Leverette et al., 2008).

In a similar vein, online television as a new entrant seems to have developed differentiated original content programming strategies and practices, although the specific

qualities of such original content have yet to be systematically examined by media scholars. Critically acclaimed original content such as Netflix's *House of Cards* and *Orange is the New Black* and Amazon's *Transparent* have gained a lot of media attention in recent years. In this study, the emerging patterns of original content programming practices in online television will be explored, in connection with the influence of technological and economic factors.

Instead of focusing on a small number of critically acclaimed programs, this study takes a different approach by dealing with original programs in aggregate to capture the new trends in programming practices facilitated by online television, with the attention to the technological and economic factors that influence those practices. In other words, this study investigates the impact of modes of distribution and revenue models on the production and distribution of television content as cultural products.

Television programs should be available to audiences for viewing in the first place before making a cultural and social impact. In this regard, distribution technologies and revenue models appear to influence what kinds of programs get produced and how these are delivered and presented to viewers. Investigating the characteristics of original content and programming practices in online television can help to capture the changing landscape of the television industry and contribute to a comprehensive understanding of cultural production. That, in turn, can complement the aesthetic and cultural approach to original content employed by cultural studies and television studies.

Before moving on to the next chapter, some terms used in this study need to be clarified. Depending on contexts, programming can refer to an outcome or a process (Eastman & Ferguson, 2013). The former means a "group of programs on a radio station or a television network," whereas the latter indicates "the act of choosing and scheduling programs" (p. 4). In

this study, to avoid confusion, terms such as television programs, television content, TV shows, or TV series will be used interchangeably rather than using programming as an outcome. When programming is used, it specifically indicates a process not an outcome in this study, defined as the "processes of selecting, scheduling, promoting, and evaluating programs" (p. 4). Thus, by original content programming practices, it means practices of choosing and scheduling of original content or programs in the television industry.

In comparison to traditional linear television, composed of broadcast networks and cable networks, the term, online television, is used in this study to refer to services such as Netflix, Amazon, and Hulu. Relying on the Internet as content delivery platform, online television adopts an on-demand mode of distribution and exhibition in contrast to linear mode in tradition television. Depending upon revenue models, online television can be further divided into advertising-supported video on demand (AVOD) services and subscription video on demand (SVOD) services. In the television industry and news media, other terms such as streaming services/media, over-the-top (OTT) services, and online video distributors (OVDs) are also used as equivalents to online television. For the comparison with linear television, this study uses online television instead of using other terms.

In many cases, business models and revenue models are used interchangeably. However, the two terms are not the same (Afuah, 2004). A business model is defined as "a framework for making money," in other words, "the set of activities *which* a firm performs, *how* it performs them, and *when* it performs them so as to offer its customers benefits they want and to earn a profit" (p. 2). The two terms are different in that "a business model is distinguished by how the firm earns a profit, not by how it generates revenue alone," whereas "revenues are just one component of making money" (p. 11). Therefore, it is pointed out that "two firms that generate

revenues through advertising can have similar revenue models but very different business models" (p. 11). For example, HBO and Netflix, both adopting a similar subscription revenue model, have different business models, based on different cost structures, distribution strategies, and decision making processes. The conventional revenue models include advertising, commission, fee-for-service, markup, production, subscription, and combination of multiple models (pp. 68-69). For this reason, this study adopted revenue models such as advertising and subscription instead of business models, when it comes to how media companies generate revenues.

For the examination of the impact of modes of distribution and revenue models on original content programming, this study compares programming strategies and practices among different television sectors. This study focuses on television networks and services with original content, such as CBS, HBO, and Netflix. The study does not consider other types of video distributors such as multichannel video programming distributors (MVPDs[2]), composed of cable system operators, satellite television service providers, and telephone companies.

[2] An MVPD is defined as "an entity that makes available for purchase by subscribers or customers multiple channels of video programming" (FCC, 2017a, p. 573).

CHAPTER 2

LITERATURE REVIEW

This chapter covers the evolution of U.S. television market structure, technologies, and programming. Then it discusses programming theories and practices.

The Evolution of U.S. Television Market Structure and its Revenue Models

It has been said that media industries operate at the intersection of three competing forces: market economics, technological innovation, and law, policy and regulation (A. Hollifield, personal communication, 2013). The history of the continuing evolution of video services is illustrative of that point.

The Broadcast Era

The technology of television was first developed in the 1920s and by 1948, three national broadcast networks already had been established (Sterling & Kittross, 2002). In early years, the three broadcast networks, CBS, NBC, and ABC, dominated the U.S. television industry. They built upon their existing radio networks, using them as an "initial financial support for television stations and networks, a training ground for personnel, and models for television network organization, operations, and programming" (p. 286). There was an attempt by DuMont Television Network to establish a fourth broadcast network. However, it failed eventually due to unstable financial ground and reliance upon UHF stations[3] as its affiliates (Weinstein, 2004).

[3] Local broadcast stations can be licensed to broadcast on one of two different parts of the broadcast spectrum. Very-high-frequency (VHF) stations broadcast on channels 2-13 and ultra-high-frequency (UHF) stations on channels 14-83 (Eastman & Ferguson, 2009; Jones, 1988). Technically, UHF stations were at a severe disadvantage in the competition for audiences before cable television was widely available because the UHF signals had a more limited geographic range than did VHF signals and, therefore, reached far fewer television households.

Public Broadcasting Service (PBS) was launched in 1970 as a noncommercial broadcaster, providing its member stations with various programs such as children's programs, educational and instructional programs, documentaries, fine arts, music, British drama, public affairs, and so on (Hilmes, 2011).

The oligopolistic market structure in the U.S. television industry was maintained until the establishment of Fox in 1986. In the formative period of broadcast television, CBS and NBC led the television industry, competing for the market leadership, trailed by ABC, which was the youngest of the three and, like DuMont, was heavily dependent initially on UHF stations as its local affiliates in many markets.

Due to high programming costs, local affiliate stations came to rely upon broadcast networks' supply of programs to fill large parts of their programming schedules. In return, by signing affiliation agreements with local stations in as many local markets as possible, broadcast networks could aggregate a nationwide audience that they could then sell to companies who wanted to advertise to consumers across the country. In addition to the supply of programs, affiliates were paid compensation by networks and gained smaller portion of advertising time to sell for local advertisements. Relying upon economies of scale in the supply of programs, broadcast networks filled local affiliates' prime-time and some other dayparts schedule with their programs. Although broadcast networks and affiliate stations were in complementary relationships, networks generally got the upper hand in negotiation due to affiliates' dependence on networks' program supply, especially in prime time, coupled with the three broadcast networks' oligopolistic market power. Broadcast networks also had oligopsonistic power over program producers (Eastman & Ferguson, 2013; Sterling & Kittross, 2002; Ulin, 2014).

As had radio, broadcast television adopted the advertising-supported revenue model. Broadcast networks maintained the single-sponsor model from radio, in which some single sponsors, advertisers or advertising agencies, exercised control over specific. In the early 1950s, DuMont pioneered the modern practice of selling advertisement time to multiple sponsors as it often had difficulties in getting a single sponsor for a single program (Weinstein, 2004). However, by the late 1950s, broadcast networks came to gain control over program procurement and prime-time scheduling, breaking with the previous industry practices of delegating program production and scheduling to sponsors and advertising agencies and transitioning from single to multiple sponsorship (Boddy, 1990).

Until the 1960s, so-called "hour-long programs" had an actual average running time of 51 minutes. In the 1970s, networks began increasing the number and length of commercial breaks – known as "advertising clutter: in the industry. Consequently, the average total running time of programs was shortened, falling to 42 minutes in recent years. There also were changes in the average length of advertisements as well, from one minute in the 1950s and 1960s to 30 seconds in the early 1970s, with 15-second commercials on the rise since the late 1980s (Elliott, 2005; Flint, 2014).

The rise of cable television in the late 1970s and 1980s put an end to the broadcast network era, as indicated by the decrease in prime-time ratings. For example, CBS, the leading broadcast network, scored average ratings of around 19.0 in 1980-81, which had plunged to an average of 3.6 in 2010-11 (Eastman & Ferguson, 2013, p. 51).

The Introduction of Cable Television

In parallel with the expansion of broadcast television in early years, an alternative video distribution system was started: cable television. Cable television started as community antenna

television (CATV), which provided the retransmission of local broadcast stations' signals to communities located outside the reach of television broadcast signals, either because of physical distance from the cities where local television stations' broadcast towers were located, or because some physical barrier to reception of those signals existed, such as mountains (Mullen, 2008; Parsons, 2008; Parsons & Frieden, 1998). Although the basic technology of cable-based television distribution was developed shortly after broadcast television emerged, strong opposition by the nascent broadcast television industry convinced federal regulators to limit the establishment of cable systems to areas where local television broadcast signals were inaccessible. These regulations effectively limited the development of the cable television industry to the establishment of small, isolated, locally owned systems in mostly rural areas. It also effectively ensured that the majority of Americans received video programming only from the three major commercial broadcast networks and their local affiliate stations, or the sole publicly funded video network in the U.S., the Public Broadcasting Service (PBS).

In the 1970s, a broad coalition of political and public interest groups banded together to demand that cable television be deregulated and allowed to serve markets nationally (Mullen, 2008; Parsons, 2008). In response, in 1972, the cable television industry was deregulated. This, coupled with technological innovations, facilitated cable television's expansion into urban areas in the 1970s and 1980s. Cable television's different distribution technology allowed the industry to develop and implement differentiated strategies and practices from broadcasting, specifically new programming strategies and revenue models (Mullen, 2003). These new strategies included such things as subscription-only premium channels such as HBO and advertising-supported "superstations" such as TBS, both of which used satellite technology to deliver their programming to nationwide to local cable systems. With an increased subscriber basis, cable

networks, bundled and carried by local cable systems, flourished and grew to be competitors to broadcast networks (Mullen, 2003, 2008; Parsons, 2008). At the same time, however, the expansion in the number of viewing choices available to American audiences started causing audience fragmentation. Audience fragmentation refers to splitting of the existing audience across more and more choices as the number of viewing options grows faster than the total size of the audience. This results in each channel having a smaller and smaller share of the audience, even if the total audience is growing or total viewing per audience member is increasing.

Audience fragmentation was accelerated with the growing number of cable networks delivered to television households. Cable television systems were joined by satellite television systems, in the 1990s, offering viewers yet another distribution platform through which to receive multiple video channels of content from a wide variety of sources (Parsons, 2008). As the competition for audience attention increased, cable networks pursued “narrowcasting” in their programming strategies, either targeting specific audience segments or specializing specific categories, or mixing both (Eastman, Head, & Klein, 1989).

In contrast to broadcast television networks, cable television networks, especially basic cable networks, adopted dual revenue models, that is, they were both subscription and advertising-supported. Meanwhile, premium cable networks such as HBO and Showtime adopted the advertisements-free subscription model, charging higher prices per subscription than did basic cable networks. Finally, in the 1990s, pay-per-view (PPV) services, in which viewers pay a specific price to watch a specific piece of content employed as a revenue model for special events such as boxing matches, mixed martial arts matches, and pro-wrestling matches, targeting audience segments with high willingness to pay for specific content (Ulin, 2014).

The Second Wave of Broadcast Networks

Even as cable television services established themselves as serious competitors to the broadcast networks for audience attention, the incumbent broadcast networks found themselves being even more directly challenged by new broadcast networks. In 1986, Fox, the fourth broadcast network, was launched, targeting narrower and younger audiences than the incumbent networks did with edgy new original programs such as *The Simpsons* and *The X-Files* (Kimmel, 2004). Then, in the 1990s, two additional broadcast networks—The WB and UPN—were launched, aggregating the remaining non-network-affiliated "independent" local broadcast stations as the local distributors of their signals (Sterling & Kittross, 2002).

The launch of these new broadcast networks was facilitated by both population growth in the United States and the parallel expansion in the number of licensed local commercial television stations in large and medium-sized television markets (Sterling & Kittross, 2002). These independent stations filled their air time primarily with bought or bartered programming from the syndication market, surviving off of local advertising and national spot advertising (Caves, 2005). Local original program was generally too expensive to produce to be part of independent stations' programming schedules, with the occasional exception of local news in some larger markets.

As independent stations proliferated in more markets across the country, they presented a potential local distribution platform for a new broadcast network or networks. The key to such a new network was the ability to be able to sign affiliation agreements with independent stations in enough different markets across the country so that the new network could credibly offer itself as a national distribution platform for national advertisers in competition with the incumbent broadcast networks (Caves, 2005; Ulin, 2014). To convince the independent stations to affiliate with a new and unproven national broadcast network, the network had to be able to offer the

stations enough high-value programs to make them more competitive in their local markets, reduce their programming costs, and improve their financial outlook. The WB and UPN adopted a strategy of targeting more specific audiences, following the footsteps of Fox's programming strategies (Curtin & Shattuc, 2009).

The entry of all of the new cable and broadcast networks to the television industry between the mid-1970s and the late 1990s created more competitive video market environments, transforming an oligopolistic market dominated by three broadcast networks to a monopolistically competitive market, composed of hundreds of networks targeting various audience segments with differentiated content (Gomery, 2008; McCabe & Akass, 2007; Sterling & Kittross, 2002).

The Emergence of Online Video

The origin of the Internet traces back in the 1960s (Ryan, 2010). It started as a defense project in the cold war era, designed to create reliable communication networks for NATO allies against possible nuclear attack by the Soviet Union (Leiner et al., 2009). Instead of adopting conventional circuit switching used in the public switched telephone network (PSTN), the Internet was designed with packet switching to prevent interrupted connections if there were an attack. In circuit switching, a dedicated line is established between two nodes in communication, whereas multiple routes can be used in packet switching, enabling more flexible connections. For nearly three decades after its inception in the 1960s, use of the Internet was confined to defense organization and contractors and researchers and academics in research institutes and universities. In the late 1980s, however, as the importance of computers, communication networks, and digital technologies of the international economic competitiveness of American industries became increasingly apparent, the political pressure to open the Internet to public

access grew. This led to the privatization and commercialization of the Internet, making it possible for individuals and private businesses to send and receive data via the Internet. With the development of the World Wide Web (WWW) and web browsers, the use of the Internet exploded among ordinary users. Especially the commercial launching of the Netscape browser in 1994 triggered the popularization of the Internet.

With the propagation of the Internet, content distributors were starting to take serious interest in the potential of the Internet to eventually serve as a platform for video distribution. At least initially, the barrier to such distribution lay in the amount of bandwidth required to transmit live, moving video and audio over the Internet. Even though existing cable systems could carry digital video, the problem was that most Americans did not have a cable connection that could deliver those high-bandwidth, real-time digital video signals across the last few feet from the street curb into their homes. However, technological innovations in compression and transmission that emerged shortly after the start of the 21st century turned the Internet into a commercial video distribution system. The wide adoption of broadband connection was an opportunity for online video distributors in the 2000s. There had been early attempts at establishing online video services such as AntEye, which focused on funding and distribution of TV pilots, and Eveo, which planned to distribute short-form videos and sell them to television networks (Tedesco, 2000). YouTube, started as an online video sharing service in 2005 and purchased by Google in 2007, established itself as a successful AVOD service, helping amateur videographers to become professional producers and online celebrities (R. Walker, 2012).

Netflix started as a Web-based DVD-by-mail delivery service in 1997, transforming itself into a SVOD service in 2007. Founded in 1994, Amazon is an online retailer, expanding its territories from physical goods to digital products and IT services. In addition to online video

rental and retail, it also provides a SVOD service, Amazon Prime Video. Unlike these two firms, which are rooted in the IT industry, Hulu was founded in 2007 as a joint venture between NBCUniversal, Fox, and Disney, which belong to the traditional media industries.

The rise of online television led by Netflix, Amazon, and Hulu in recent years put more pressure on incumbent television networks, intensifying competition for programs and audiences. As with premium cable networks, SVOD services such as Netflix and Amazon adopted the subscription revenue model, whereas some AVOD services such as Hulu followed footsteps of basic cable networks, relying upon advertising and subscription revenues (Ulin, 2014).

Summary

In summary, then, the U.S. television industry evolved from an oligopolistic market dominated by CBS, NBC, and ABC to a more competitive market with new entrants such as multichannel television and, in recent years, online television. The television industry evolved from an entirely advertising-supported revenue model that distributed programming over the airwaves to one that used different revenue models, including advertising-free subscription and the dual revenue model of advertising and subscription, and distributed content through multiple technological platforms.

Examination of industry's history shows that changes in market competition had an impact on network programming practices. Similarly, as new distribution platforms emerged it opened opportunities for video distribution companies to develop new revenue models that had not been used during the era of broadcast-only video distribution. Examination of industry history also shows that the revenue model used by video distributors had impact on programming and scheduling practices as programs distributed through advertising-supported revenue models had to be adjusted to provide time for the insertion of advertising. The impact of the revenue

model on programming content changed over time as distributors increased the number of minutes per hour that they sold to advertisers.

This suggests that the revenue models used by video distributors impact the amount, structure, and scheduling of the content audiences receive. Therefore, new revenue models for the video distribution industry that may emerge would be expected to further change the volume, structure, and scheduling of content in ways different from those now used by existing sectors of the industry.

The Evolution of U.S. Television Technologies

Media industries' attitudes towards technology often have been ambivalent, depending on market environments (Lampel, Shamsie, & Lant, 2006). Technology was considered as "the great enabler" in the rise of a media industry, providing new tools for production and new modes of distribution (p. 192). On the other hand, it also posed a threat to incumbent industries and media firms, making existing practices and technologies obsolete and disrupting current business models. Thus, technology was treated either as an opportunity for new entrants and emerging industries or as a severe challenge by incumbents as it increased competition, uncertainty, and risk.

There are a number of important technologies in the television industry that have affected the types of programming available to audiences in a given location and a given time. Among these have been broadcast frequencies, cable distribution, remote controls, satellite distribution, and the introduction of the Internet.

Local broadcast stations can be categorized into very-high-frequency (VHF) stations on channels 2-13 and ultra-high-frequency (UHF) stations on channels 14-83, depending upon the broadcast band used for transmitting audiovisual signals from a station to receivers (Eastman &

Ferguson, 2009; Jones, 1988). Technically, UHF stations were at a severe disadvantage due to more limited range than VHF stations. Thus, for broadcast networks, VHF stations were considered more desirable as affiliates than UHF stations in reaching audiences for advertising. ABC, in the early years of television, had difficulties in getting national coverage as many of its affiliates were UHF stations, and this put ABC in a weaker position in competition with CBS and NBC. During the 1970s, with the help of cable television's expansion and improved UHF technology, ABC came to be better positioned against its rivals, achieving an increase in ratings (Curtin & Shattuc, 2009). This changed conditions of UHF stations, with improved coverage, set the ground for the launching of the fourth network, Fox, in the 1980s and other new broadcast networks, leading to more competition among broadcast networks.

Since its inception in the late 1940s as CATV, retransmission services relaying broadcast signals to local communities, cable television grew to be multichannel pay-television services providing cable channels as well as local broadcast channels (Parsons, 2008). Catalyzed by a deregulatory mood in communication policy in 1970s, cable television expanded into populated urban areas, coupled with an increase in channel carriage capacity and in the number of cable channels available to subscribers. The popularity of cable television attracted new entrants: satellite television services such as DirecTV and Dish Network and telephone companies such as AT&T and Verizon Communications. The competition between pay-television service providers facilitated the upgrade of service providers' system, providing subscribers with hundreds of channels enabled by increased carriage capacity.

Cable systems' increased carrying capacity for the distribution of television channels enabled the supply of various cable networks to subscribers (Parsons, 2008). Cable subscribers came to have increased channel options beyond the limited choice of local broadcast stations.

This helped cable networks to formulate and implement differentiated programming strategies (Mullen, 2003). Some cable networks such as TBS and USA Network employed a similar approach to programming as broadcast networks, aiming for general audiences with various types of content such as drama, movies, and sports. Many other cable networks adopted the focus strategy of "narrowcasting," either offering specific types of programming or targeting specific audience segments or combining both (Eastman et al., 1989, pp. 270-271). For example, ESPN targets sports fans with sports-related programs such as live game coverage and sports news. Lifetime focuses on women with various programs such as drama and movie. With expanding capacity, even various microniche networks, targeting more specific audience segments, became available to subscribers (Eastman & Ferguson, 2013).

Developed in the 1950s, remote control devices (RCDs) widely propagated in the 1980s, allowing viewers more control over channel selection and viewing behavior (Bellamy & Walker, 1996). The adoption of RCDs made an impact on networks' programming strategies and practices. James R. Walker (1988) found that RCDs, combined with the popularity of cable television, were related to a decrease in inheritance effects in prime-time network programming. To address the "grazing," also referred as "channel hopping" audiences engaged in with RCDs, networks developed new programming strategies and practices such as "top-loading," defined as "a strategy wherein high production values are emphasized at a program's beginning to gain the audience's attention," and "hot switching" or "seamless programming," making "rapid and arresting transitions between programs" to deter viewers from reaching for RCDs (Eastman & Neal-Lunsford, 1993, pp. 191-193). Other practices employed were using "living end credits," attempting to "minimize and possibly glamorize closing edits by running them over the last scene of an episode or movie," and "squeezed credits," using a video effect device to "squeeze

the picture in one corner of the screen" and to "employ the remaining space for promotional announcements" (p. 194).

The adoption of the broadband Internet as a video distribution platform enabled the rise of online television as a new competitor to traditional linear television, composed of broadcast television and multichannel pay television. Online television adopted on-demand mode of distribution, which provides viewers with more convenient and flexible way of consuming television content than linear mode of distribution does. Instead of following the schedule set by networks in the linear mode of viewing, viewers in the on-demand mode can choose their own time for viewing specific programs that they want to watch. Since the initial trials by telephone companies such as AT&T in the early 1990s, VODs were adopted by linear television networks as additional services to linear channels or multichannel pay-television bundles (Parsons, 2008). What differentiates VOD services adopted by online television is that they are Internet-based, stand-alone services not subordinate to linear channels or pay-television bundles, as exemplified by leading VOD services such as Netflix, Amazon, and Hulu.

Dimmick (2003) characterized distinct features of new communication and media technologies as providing more "gratification opportunities" than existing ones, in that they provide users with more choices and conveniences and allow them to have more control over where and when they consume the content they want. Gratification opportunities can be regarded as the attributes of a medium, impacting the degree of media users' satisfaction. The conceptual basis of gratification opportunities lies in "the notion of time as a limited resource." (p. 31). According to Dimmick, "the individual's schedule or time-space locations throughout the day strongly influences the number of media available and the amount of time available for media use or the gratification opportunities" (p. 31). The new media or communication technology

tends to provide more gratifications opportunities. With fixed time budgets, users can have a higher chance of getting gratifications from a medium or technology that offers more variety of content or services whenever or wherever needed. In other words, what differentiates the newer media from the older media can be found in their capabilities to provide "more choices and greater flexibility and convenience" in the users' time spending as shown in the Internet media, video cassette recorder (VCR), and cable television (p. 104). Therefore, enhanced capabilities of a new medium in providing gratification opportunities to consumers tend to help to differentiate itself from traditional media, influencing both the types of content available and the way it is exhibited to audiences.

Summary

Video technologies have inexorably evolved to provide audience members with an ever-growing number of viewing choices, every greater ease of access to that programming, and ever greater control over how, where and when they consume that programming. As Dimmick (2003) theorized, the ability—and willingness—of content providers to deliver to consumers the content those consumers wanted, where and when those consumers wanted it, would provide a competitive advantage. Examination of research on the evolution of video distribution technologies across time show that as new technologies have emerged, video distributors have changed programming practices in response to the challenges and opportunities those changes have created. This suggests that as new video distributors enter the market, they will seek to differentiate themselves from existing services by ceding even more control of programming access to audiences. Furthermore, the effects of the introduction of previous technologies, such as RCDs, on programming content and scheduling strategies, suggests that new video

technologies also are likely to generate changes in the structure and scheduling of programming across different platforms.

The Evolution of U.S. Television Programming

Historically, television networks made certain types of programs available in consideration of revenue sources such as advertising and distribution technologies in competitive market environments.

In early years of television, radio-originated programs often filled television's schedules. Due to the limited understanding of television's possibilities as a new medium, these programs were mostly radio programs with pictures, not fulfilling television's visuality (Sterling & Kittross, 2002). The anthology television series, which flourished during the 1950s, was broadcast television's attempt to establish its identity as a new visual medium, distinct from existing media (Newman, 2014). Anthology drama series such as *Kraft Television Theater*, *Hallmark Hall of Fame, Studio One, Philco and Goodyear Television Playhouses* were based upon adaptations of classic theater, recent Broadway plays, and original scripts (Hilmes, 2003).

Each series was composed of self-contained, individual episodes and broadcasted live from production studios or theaters in front of audiences. It was more like live broadcasting of theatrical plays. These arrangements imposed limitations on the production and broadcasting of these series, for example, limited spatial settings and transition between scenes. During the live broadcasting, it was hard to control miscellaneous technical errors by staffs and mistakes in acting by performers. Live broadcasting from the scene was inevitable due to the lack of dependable recording technology such as tape recording in the early years of broadcast television (Sterling & Kittross, 2002).

However, ironically, this aspect of live broadcasting of theatrical drama was the very reason that drew positive responses from TV critics, recognizing television's potential as an artistic medium (Newman & Levine, 2012). Associating television with theatrical play, which was regarded as an artistic form, helped to lift broadcast television's status above Hollywood films, which were disparaged as a mass medium at that time, pandering to film audiences with lower tastes. The simultaneity and immediacy of live broadcasting became highly regarded attributes, differentiating television from other media. Talented and creative writers and directors participated in the production of the anthology series. Some of live broadcasted drama were remade to feature films such as *Marty* and *Days of Wine and Roses* (Sterling & Kittross, 2002).

Television historians point out some of factors that contributed to the prosperity of anthology series in this period (Gomery, 2008; Hilmes, 2011; Newman, 2014; Sterling & Kittross, 2002). Early television audiences were more likely to be better-off and well-educated, thus they could afford to buy expensive early model TV sets and had cultural tastes for television programs like anthology series. In the single-sponsored production, a prevalent funding practice in early television, sponsors wanted their brands or products to be associated with prestigious programs such as anthology dramas. However, "the golden age of live TV" exemplified by anthology drama series was short-lived. Televisions diffused and the prices for buying a TV dropped so that middle class and working class people could buy a set, broadcast networks started programming less high-brow content that had more mass appeal. With the exploding popularity of television in the general population, filmed drama series such as Westerns supplied by film studios and more popular formats such as game shows came to dominate television's prime-time schedule. The case of anthology series reveals the impact of technology and business on programming practices, especially selection of certain types of programs over others.

Early on after the inception of broadcast television, CBS had been the number one broadcast network in the nation in viewership ratings, outperforming its rival networks, ABC and NBC. CBS had top-rated shows such as *The Beverly Hillbillies*, *Green Acres*, and *Petticoat Junction*. Despite high ratings, CBS replaced these popular, rural-themed comedy shows with the shows with urban settings and social relevance, for example, *All in the Family*, *The Mary Tyler Moore Show*, and *M*A*S*H* (Hilmes, 2003). The so-called "rural purge" in the early 1970s was CBS's strategic choice to focus on younger audiences in the urban markets, coveted by advertisers (Gomery, 2008). The frequent conflicts between characters, representing young and old generations, and on various social issues were the main themes in *All in the Family*. In *The Mary Tyler Moore Show*, the protagonist's life as a single, working woman, coping with male-centered working environments, represented social changes in the 1970s. Although set in the Korean War in the early 1950s, the satire on the Vietnam War was central to *M*A*S*H*.

CBS's position as the number one broadcast network was undermined by ABC and NBC. Led by Fred Silverman, who moved from CBS, ABC became the top-rated network in the late 1970s, following CBS's approach to focusing on younger audience segments, with comedy programs such as *Happy Days*, *Laverne and Shirley*, *Mork & Mindy*, and *Soap* (Hilmes, 2003). These shows relied upon sexually suggestive humor, counterprogramming CBS's socially relevant comedy shows, which also was replicated in action-adventure series such as *Charlie's Angels*. With all variations in the key appeals of programs, broadcast networks' efforts to attract younger audiences indicated how broadcast networks' programing strategies and practices could be dictated by the orientation to advertisements.

In the early 1980s, broadcast television reached at its peak in terms of the prime time ratings of TV series with *Dallas*'s episode revealing who shot J.R. in 1980 on CBS, earning 53.3

rating, and *M*A*S*H*'s series finale episode in 1983 on CBS, earning 60.2 rating (Hilmes, 2011). The three networks' oligopoly was under severe threats from unshackled cable television.

Throughout the 1980s, a new stream of television programs surfaced in the changing television industry environments driven by the growth of cable television. Prime time programs such as *Hill Street Blues*, *LA Laws*, and *thirtysomething*, characterized as in-depth exploration of characters and complicated narratives, grabbed the attention of the elite audiences desired by advertisers (Newman & Levine, 2012). Media scholars and critics loosely labeled these shows as "Quality TV," without a shared definition of quality that encompassed all of these shows (McCabe & Akass, 2007). This trend of quality television was extended into the 1990s, exemplified by such shows as *Twin Peaks* and *NYPD Blue*.

After struggling years in 1970s, NBC rose to the No. 1 spot in mid-1980s (Eastman & Ferguson, 2013, p. 51). Straddling between targeting mass audiences and targeting more specifically defined audiences, NBC commissioned and aired programs that offered mass ratings success such as *The Cosby Show*, and programs that won critical acclaims such as *Hill Street Blues* and *NYPD Blue*.

The rise of quality programs can be associated with the growth of cable television and the dispersion of VTRs as new competitive pressure and, on the other hand, advertisers' demand for reaching elite audiences. HBO added more depth into quality television with its original programs such as *Oz*, *Sex and the City*, and *The Sopranos* in the late 1990s (Sepinwall, 2013). The subscription model of HBO, only available to paying subscribers, allowed fewer restrictions on controversial themes such as prison and organized crime and verbal and visual depictions of sex and violence. Without commercials, HBO's success relied not on delivering the audience that advertisers want to reach, but on providing its subscribers with differentiated content in

terms of styles and themes. Boldly proclaiming, “It’s not TV. It’s HBO,” HBO tried to distinguish its program offerings from broadcast networks’ offerings, motivating customers to subscribe to its service for unique programs, not found on other channels (DeFino, 2014; Leverette et al., 2008). This programming strategy was replicated in original programs such as *Curb Your Enthusiasm*, *Six Feet Under*, *The Wire*, and *Deadwood*.

Referring to the supply of quality programs both from broadcast networks and cable networks, Thompson (1996) claimed the coming of “the second golden age of television.” Taking a page from HBO’s book, Showtime responded to HBO’s original series initiative with its original programs like *Queer as Folk, Weeds*, and *Dexter*. This trend of cable original programs, triggered by HBO, was not confined to premium cable networks, but also propagated to advertising-supported basic cable networks.

FX pushed the envelope of cable drama series with *The Shield*, a cop show with an anti-hero, villainous detective as protagonist. Original programs such as *Nip/Tuck* about the twisted world of plastic surgery, *Rescue Me* about firefighters, coping with personal conflicts after 9/11, and *It’s Always Sunny in Philadelphia*, a sitcom with unlikable, petty characters, contributed to the establishment of FX’s brand identity: a cable network with edgy programs.

Other basic cable networks with original programs showed variations in their approaches. For example, USA Network’s original programs, *Monk, Psych*, *Burn Notice*, and *White Collar*, were more conventional in characters and plots with comedic elements, appealing to larger and wider audiences. In a similar way, TNT adopted a more conventional approach to its original crime shows like *The Closer*. Syfy specialized in science fiction TV series such as the *Stargate* franchise, and won critical acclaims for its sci-fi series, *Battlestar Galactica*.

Originally launched as a cable movie channel, AMC's transition to the prestigious drama channel was buttressed by its original programs such as *Mad Men* and *Breaking Bad*. Especially, *Mad Men,* a period drama set in the 1960s adverting industry in New York, was not a ratings success, but it won Emmy Awards and favorable reviews from TV critics. It helped AMC to reshape its channel identity, helping to get a better position in the negotiation with pay television distributors.

After the success of AMC, also with increasing competitive pressure, other basic cable networks with little track records of original drama series started to provide their own original series. For example, WGN America premiered *Salem,* its first scripted original series, in 2014. Another original series, *Manhattan*, premiered in the same year. History channel, which specialized in documentaries and reality shows, presented its first original drama series, *Vikings*, in 2013. As such, small and niche channels such as BBC America, SundanceTV, IFC, and El Rey Network came to release original programs, too. Although the proliferation of original drama and comedy series in television appeared to be beneficial to viewers, some in the television industry questioned the sustainability of the current trend as captured in FX's CEO John Landgraf's remarks of "too much television" (Holmes, 2015).

Summary

As discussed above, television history suggests the repeated patterns of economic and technological impacts on programming strategies and practices in the television industry. Among the patterns that emerge from this examination is the relationship between increased competition and program quality, although some research suggests that that relationship is curvilinear, with quality declining when competition rises to levels where it begins to negatively affect overall corporate financial performance (Hollifield, 2006; van der Wurff & van Cuilenburg, 2001).

Nevertheless, as discussed above, in highly competitive markets, video distributors appear to try to distinguish themselves by providing content that is unique, notable, and attracts critical acclaim (Curtin & Shattuc, 2009).

This suggests that as entirely new video distribution platforms enter the marketplace, they can be expected to seek to distinguish themselves by distributing high-quality content that is, in some way, notable and distinctive from existing content in the market.

Economic Characteristics of Media Content

From a media economics and management perspective, the media industries are distinguished from other industries, causing different managerial problems and influencing strategies and practices of the industry. One of the distinct characteristics of the media industries is that many media firms such as newspapers, magazines, and cable networks are engaged in a "dual products marketplace," dealing with both a "content" product and an "audience" product (Napoli, 2003, 2009; Owen & Wildman, 1992). They sell "two completely different products to two completely different sets of consumers," in other words, selling "content to audiences" and selling "audiences to advertisers" (Napoli, 2009, p. 163). As two markets are closely interrelated, even media firms such as HBO, which only operates in the content market for subscription revenues, can affect advertising-supported broadcast and basic cable networks in the pursuit of audiences' attention and compete with advertising-supported media for acquisition of content. This nature makes an impact on television networks' programming strategies and practices.

Related to the content market, media content is a "public good," which means that it is nondepletable in consumption; it also can be characterized as "high first-copy cost" with "low replication/distribution cost," incurring relatively high fixed-cost up front, but requiring low marginal cost to produce another copy (Caves, 2005; Napoli, 2009; Priest, 1985). Advancements

in digital technology and the adoption of the Internet as a distribution platform further reduced reproduction and distribution costs.

Derived from these, film and television industries developed “windowing” strategies for profit maximization, the practice of segmenting markets and charging different prices at different points of time, considering consumers’ willingness to pay for media products (Napoli, 2009; Owen & Wildman, 1992; Ulin, 2014; Waterman, 2005). For example, a film is released at theaters, followed by DVD/video on demand release, premium cable networks, and ad-supported networks. Potential viewers are required to pay higher prices for the film at earlier distributions, paying less at later windows. Due to low reproduction costs, producers/distributors can have higher margins at later points in distribution.

However, the demand for media products is highly unpredictable due to the “experience goods” nature of media content, meaning that “the consumer’s valuation is unknown until a good is actually consumed or experienced,” therefore, “nobody knows” whether it will be a hit or not (Caves, 2005, pp. 4-5). This affects both a content market and an audience market. If media consumers with changing and varying tastes find media products not worth paying for, producers have difficulties in recouping the production costs and end up with a financial loss. The same goes with a failure for ad-supported media to deliver the expected size and demographic composition of audience to advertisers.

Research on the media industries suggests the unpredictability and uncontrollability of market demand (Bielby & Bielby, 1994; Caves, 2000, 2005; De Vany, 2004; Hesmondhalgh, 2002). This drives the development and adoption of various strategies and practices by the media industries, for example, the “long tail” strategies for media outlets (Anderson, 2006), “blockbuster” strategies (Elberse, 2013; Epstein, 2012), development and management of

distribution channels (Curtin, Holt, & Sanson, 2014; Ulin, 2014), horizontal/vertical/global expansions (Doyle, 2013), and media conglomeration (Holt, 2011).

Another distinguished aspect in the media industries is the tastes of creative talents such as performers, writers, directors, and producers for creative freedom and control over their work processes (Caves, 2000, 2005; Hesmondhalgh, 2002). In other words, "artists get utility from performing creative work," even with fewer economic benefits (Caves, 2005, p. 8). Indeed, economists recognize media content as a "talent product" (Reca, 2006), that is a product the quality of which is wholly dependent on the personal knowledge, skills and talents of the individual or group of individuals who were directly engaged in its production, so that each product is unique to the individual or group who produced it.

These distinct aspects of the media industries with related strategies and practices influence what gets produced and distributed and how it is exhibited to media consumers. Economic factors such as revenue sources, industry structure, and competitive strategies can influence the availability of certain types of media content and the way they are distributed and exhibited. Hamilton's (2004) study examined the influence of competitive forces on the rise of opinionated news outlets and soft news, noting economic incentives affecting news content.

In the film industry, Hollywood studios adopted the "blockbuster" practices of wide-release and national advertising and cross-promotion campaign of big-budgeted movies during the summer and winter holiday seasons, developed in the 1970s with films such as *Jaws* and *Star Wars* (Gomery, 2003; Hall & Neale, 2010). Concentrating on a few films with high production and marketing budgets, Hollywood studios try to get high returns on blockbuster movies, reducing risks by releasing more easily marketable movies such as adaptations from well-known comics and best seller novels (Elberse, 2013).

In the competitive media marketplace where consumers' attention is limited, the key to blockbuster strategies can be marketability of media content and concentration of resources on such content. As a result of studios' blockbuster practices, certain genres such as action and sci-fi, remakes of past hits, and franchise movies tend to be more frequently produced and released (Gomery, 2003; Ulin, 2014). The case of blockbuster practices exemplifies what gets produced and released in the media industries dictated by economic considerations.

Summary

The economic characteristics of information products increase the uncertainty of demand for those products. Additionally, this uncertainty, coupled with high-first copy costs and the public good nature of media products, greatly increase the financial risks producers incur, particularly when they produce wholly original content that does not have a previously created fan base. To offset these financial risks, content producers engage in elaborate risk-mitigation strategies to maximize audience demand and, therefore, capture economies of scale. These include audience targeting, strategic scheduling, windowing, and attracting big-name talent to the productions so as to leverage the personal fan bases of those talents.

This suggests that new entrants to the video distribution market, who would be presumed to be facing the greatest financial risk, would be most likely to innovate in program production or acquisition in ways that might maximize the success of these risk mitigation strategies.

Programming Theories and Practices

This section covers programming theories and the conventional programming strategies and practices employed by broadcast networks and cable networks. The influence of technology, modes of distribution, and economic factors, revenue models and competition in the market, can be reflected in television programming strategies and practices. The television industry has

developed programming strategies and practices in dealing with competition among television networks for audiences, adapting to changes in technology and market conditions (Eastman & Ferguson, 2013).

In advertising-supported television, audiences are regarded as products to be sold to advertisers, thus networks are in the business of producing and selling the audience product to advertisers (Napoli, 2003). In the audience marketplace, viewership ratings were accepted as the currency for trading the audience product between networks and advertisers. In general, the practical goal of programmers in advertising-supported networks has been to score as high ratings as possible for television programs that they schedule.

Classic scheduling strategies developed by broadcast networks were built around the control of audience flow (Eastman & Ferguson, 2013). In this approach, programmers attempt to "maximize the number of audience members that *flow through* to the next program on their own channel and the number of that *flow in* from rival channels or home video, at the same time minimizing the number that *flow away* to competing channels or activities" (p. 20). The basic assumption in classic scheduling strategies is "tuning inertia" of viewers, meaning that "people tend to leave the channel selector alone unless stimulated into action by some forceful reason for change" (p. 20). Some of classic scheduling strategies rely upon strong or established shows to protect or bolster weak or new shows. For example, the "anchoring" strategy is to begin a prime-time schedule with an especially strong program, which is called the "anchor" show or the "lead-off" show. Similarly, the "lead-in" strategy places a strong program before a weaker or new program to boost it. For bolstering weak programs, broadcast networks employ the "hammocking" or "sandwich" strategy, which refers to placing a weak program between two strong programs. Similarly, "linchpin" or "tentpoling" strategy refers to placing weak programs

around a strong program. The goal behind these classic scheduling strategies is to facilitate "inheritance effects," the duplication of audiences from one program to the following program. According to Webster and Phalen (1997), studies on inheritance effects suggest that "adjacent network programs share a high number of viewers because a high number of the same people tend to be watching television in adjacent time period," with the preceding program's rating found to be a powerful predictor for the size of the duplicated audience (p. 76). New technologies such as remote control devices (RCDs) tend to reduce inheritance effects, as mentioned earlier (James R. Walker, 1988). However, even with the dramatic increase in the number of television channels, McDowell and Dick (2003) argued the persistence of inheritance effects. To deal with channel switching, programmers devised such scheduling practices as bridging strategy, which aims to disrupt rival channel's scheduling, and seamless strategy, which attempts to streamline the transition between programs (Eastman & Ferguson, 2013; Eastman & Neal-Lunsford, 1993).

The broadcast networks established norms and conventions for programming practices. To secure time for advertisements, most shows in broadcast networks currently have around 42 minutes of actual program content for each one-hour drama series, and 21 minutes of actual program content for each half-hour comedy series. Those figures show a substantial decrease since the 1960s—16%—in the amount of programming audiences receive for the time they invest in watching. In the 1960s, program content filled an average of 50 minutes and 25 minutes respectively during hour and half-hour programming slots (Elliott, 2005; Flint, 2014). In the half-century since, broadcast networks have sharply increased the supply of advertising time and, from the audience's viewpoint, advertising clutter, in pursuit of revenue growth. Coupled with this change, shorter advertisements such as 30-second and 15-second commercial became

prevalent, which also allows a larger number of different commercials to run. These changes in episode running time and length of commercials reflect broadcast networks' economic motivations, increasing revenues by selling audiences to advertisers.

The networks also have made other noticeable changes in programming practices over time. During the 1950s and 1960s, the broadcast season ran around 39 weeks with 39 episodes, but reduced to 32 weeks with 26 episodes in the mid-1970s, due to high program costs (Eastman et al., 1989). By the 1990s, the number of episodes per season further reduced to 22, due to increasing costs and the high mortality rate of shows (Eastman & Ferguson, 2013).

Broadcast networks developed the convention of the television season, in which new seasons of original content premiere in fall, around September, ending in April or May in the next spring, with mid-season replacements mostly scheduled during the winter or spring (Curtin et al., 2014; Eastman et al., 1989; Gomery, 2008; Hilmes, 2011). Each year's television season runs from fall to spring, followed by a summer season before the start of a new season in the following fall. This convention was devised to premiere new programs at the times of year where maximum audiences were available. Historically, that was in fall as school started and families returned home from summer travels, days became shorter and weather colder, causing more people to stay indoors in the evenings. Premiering programs at the time of year when audiences were likely to be spending the evenings, networks maximized the potential of attracting audiences—and, therefore, advertisers—to their programs. The programming season then extended to May, when changes in weather and the length of daylight were likely to reduce the size of available audiences and, therefore, the amount of advertising revenue generated by programs. Networks found it uneconomical to produce original episodes of programs during the summer months, leading to the industry convention of the September-May broadcast season.

Similarly, when programs failed to attract audiences, mid-season replacements occurred in January—the middle of winter, when weather and early darkness were likely to be keeping people more people indoors in the evenings. With all recent indications of deviations from conventional programming practices, many of prime-time original programs in broadcast networks still premiere in fall, following programming conventions.

However, the convention of the television season developed by broadcast networks became less relevant and was loosened by cable networks, especially in the case of scheduling original series. Broadcast networks paid little attention to the summer season, during which reruns or unaired episodes of cancelled shows were mostly scheduled (Eastman & Ferguson, 2013). This paved the way to cable networks' competitive programming strategies due to the weak summer schedules from broadcast networks. Basically building upon broadcast television's programming strategies, cable networks have adjusted programming strategies to different modes of distribution and revenue models. Based upon MVPDs' multichannel capacity, cable networks developed "narrowcasting," targeting smaller but more specific audiences or focusing on a specific type of programs such as genre and format (Eastman et al., 1989). Cable networks also developed differentiated scheduling strategies. For example, basic cable networks sometimes employ "marathons," in which the same programs are scheduled continuously, all-day and all-night. Marathons are often used to "counterprogram major broadcast events such as Super Bowl" or are "scheduled during holidays or protracted bad weather periods" (Eastman & Ferguson, 2013, pp. 322-323). Marathons also are used when newly acquired shows need to generate exposure. As one of the extreme cases, FXX ran a 13-day marathon of 600 episodes of *The Simpsons* from November to December in 2016, which helped to boost ratings (Petski, 2016).

Due to differences in revenue models, premium cable networks, which rely upon a subscription revenue model, traditionally have employed different programming strategies and practices. For example, with the goal of reducing churn among subscribers, premium cable networks aim for "attracting the largest possible cumulative audiences over the period of month" rather than "attracting the largest possible audiences every minute of the programming day," as networks' success is not determined by the individual programs' ratings, but by the general appeal of overall schedule and subscribers' satisfaction with program offerings and the ability to convince subscribers not to cancel their subscriptions (Eastman & Ferguson, 2013, pp. 325-326).

In competition with broadcast networks' offerings, cable networks needed the differentiation in content offerings. One of the advantages that cable networks have over broadcast networks is fewer restrictions on content by FCC, as cable channels are available only to subscribers, unlike broadcast channels, which are available without cost to almost everyone in the United States (FCC, 2017b). Complying with the Telecommunications Act of 1996, the U.S. television industry adopted the TV parental guidelines as a form of an industry self-regulation in 1997 (Bushman & Cantor, 2003). According to the TV parental guidelines (http://www.tvguidelines.org), programs with TV-MA, mature audience only and not suitable for children under 17, may contain crude indecent language, explicit sexual activity, or graphic violence. Under the TV content regulations, programs rated as TV-MA are practically only available on cable channels, especially on premium cable channels. Cable networks have an option to provide TV-MA content as a service differentiation strategy. For example, HBO made available films and television shows with scenes that would not be allowed on broadcast channels (Mair, 1988; Mesce, 2015).

Another strategy for differentiation can be found in providing critically acclaimed programs, exemplified by cable networks such as HBO, FX, and AMC as described earlier. As Curtin and Shattuc (2009) put it, “Today cable programmers are feeling pressed to develop signature dramas that can help distinguish a channel from its many competitors and from the broadcast networks,” and with hundreds of channels available, “cable programmers need to develop signature series that will compete for critical acclaim and for the attention of audiences” (p. 83). Especially for premium cable networks, which rely upon subscription, content quality is strategically important for the acquisition and retention of subscribers. Facilitating the perceived value of subscription, critical acclaim can be considered as a positive signal to service subscribers who seek a reason to keep their subscriptions.

In the context of increased channels competing for viewers’ attention, the theory of the least objectionable program (LOP) theory came to be challenged. Influenced by Marshal McLuhan’s media theory, Paul L. Klein (1974; 1971) argued that viewers consume the medium of television, not television shows. In other words, “when they had time (availability), viewers tuned in and then looked for something to watch” (Eastman & Ferguson, 2013, p. 62). In contrast to viewers’ passivity in the LOP theory, the appointment viewing perspective noted viewers’ program loyalty, in that “viewers develop strong mental images about when their favorite programs are on and tune in with those programs in mind,” facilitating networks’ efforts to promote their shows (p. 63). Television networks have employed various promotion channels such as on-air, print, and online (Eastman, Ferguson, & Klein, 2006). In recent years, promotion on social media such as Facebook and Twitter became a crucial part in engaging audiences (Curtin et al., 2014). Using social media, producers and networks release program-related articles

and video clips such as behind-the-scene footages, interviews, and previews to keep viewers' interest in the shows.

Built upon industrial organization (IO) theories in economics, program choice models examined the influence of economic factors such as market structure and revenue sources on program diversity in relation to policy implications. Program choice models suggest that factors such as market structure (monopolist or competitive), revenue models (advertising or subscription), and modes of distribution (broadcast or cable/satellite system) can lead to various programming possibilities (Owen & Wildman, 1992). Hotelling (1929) argued two rival firms would market the products of "competitive sameness" under oligopolistic market conditions. His concept of competitive sameness was extended to program choice models. Steiner's model (1952) predicts "competitive duplication," whereby a small number of channels provide similar types of programs to viewers with similar preferences. On the other hand, monopolists can supply more diverse programs as long as added programs attract more viewers instead of duplicating viewers. Steiner maintained that "a discriminating monopoly controlling all stations would produce a socially more beneficial program pattern" (p. 206). Expanding on Steiner, Beebe (1977) argued that catering to viewers' willingness to pay, pay television in a competitive market can provide a greater variety of programs than monopolist television or ad-supported television in a competitive market. In a case study of the Dutch television market, van der Wurff and van Cuilenburg (2001) argued that depending on competitive strategies by broadcasters, "competition in oligopolistic broadcasting markets can take different forms," moderate competition, which improves diversity, and ruinous competition, which produces excessive sameness (p. 213).

Summary

The research on television programming practices shows that video distributors historically have used carefully calibrated scheduling strategies to maximize audiences for their programming and deliver to advertisers those audience segments the advertisers most desired. Scheduling was a primary tool for accomplishing revenue maximization through both maximizing audience reach to the most desirable demographics and audience size, particularly vis a vis competitors. A key element of scheduling strategy as initially developed by broadcasters was to schedule first around audience availability across seasons (fall through spring, but not summer) and then across days of the week, and times of the day. Subsequently, however, as new distribution platforms and revenue models emerged for video distribution, scheduling strategies evolved. Advertising-supported basic cable largely followed broadcast scheduling practices, while subscription-only premium services scheduled across a longer cycle with the goal of maximizing audience satisfaction with the goal of maximizing audience subscriptions and minimizing audience subscription churn. For almost the entire history of video, however, scheduling strategies have been based on a linear programming model in which the distributor, not the audience, controlled the timing of the release of each piece of content.

Research on program scheduling also has shown that historically, scheduling strategies have been influenced by both the technology of distribution and the revenue model of the distributor, with broadcasters, basic cable networks, and premium cable networks all scheduling to produce audience maximization against the recognition that the audiences for each of those platforms behave differently (Curtin & Shattuc, 2009; Eastman & Ferguson, 2013; Eastman & Neal-Lunsford, 1993; James Robert Walker & Bellamy, 1993). This suggests that newly emergent video distribution platforms also will generate new program scheduling strategies.

Foreign Language Programs

One form of program diversity, however, foreign language programs are hard to find on U.S. television channels with the exception of Spanish language channels. Some foreign-produced programs, such as British programs from BBC and ITV, which are also English-language programs, can be found on PBS's anthology series such as *Masterpiece*, scheduled on Sunday. But it appears that few channels provide non-English programs as part of their regular broadcast or cable programming subscriptions. The lack of non-English programs is in contrast with "one-way flows" of U.S. media content to international markets, the dominance of U.S. media products in foreign markets (Wildman, 1994).

According to Waterman (2005), the home-market theory explains this dominance. Based upon an assumption of a "cultural discount" factor, the home-market theory holds that audiences prefer content in their own language or with their own cultural values and references when other things being equal. Similarly, on the study of Brazilian television, Straubhaar (1991, 2003) used the concept of "cultural proximity" in the explanation of audiences' preferences for national or regional programs. Another assumption in the home-market theory is that audiences prefer high-budget content and demand a greater variety of content, and that high-production values can reduce the cultural discount on foreign-produced programs in markets where high-production values are economically impossible for local producers (Waterman, 2005).

With its large home market, coupled with a large number of potential English-language markets or markets in which English is widely spoken and understood as a second language, the U.S. television industry can afford high-budget productions. This makes U.S. media content more appealing to foreign audiences than low-budget local media content. The reverse, however, is less often the case. Most foreign language programs, except for Spanish-language and

Chinese-language programs, are produced for comparatively smaller potential audiences. Many large countries with vibrant media industries, such as India and Nigeria, have media markets that are internally fractured across multiple language groups within the population, making it economically difficult to produce content at the cutting edge of production value. Other countries, such as China, that have strong media sectors, large single-language populations, and high-production-value content are culturally different enough from the U.S. to minimize demand for their content exports among American audiences.

Summary

The complexities of demand that affect audience receptivity to foreign-language programming historically have made American video distributors reluctant to invest in producing or acquiring foreign-language programming. Video distributors operated within technology constraints that mandated linear programming, with audiences only able to synchronously consume programming as it was distributed. For distributors, allocating any of the finite amount of time available in a linear programming schedule to foreign-language programming was not compatible with audience and revenue maximization.

Network Renewal Decisions

Broadcast networks' renewal decisions on programs are usually made between March and May, based upon the network's profit margin, the difference between advertising revenue and program cost (Eastman & Ferguson, 2013). As ratings are directly related to revenues, ratings became a key factor in renewal decisions alongside program licensing costs. In most cases, shows with high ratings tend to get renewed, whereas shows with low ratings tend to get cancelled. Some programs fall under the borderline cases, for example, programs with high ratings but with the undesirable demographics, programs with low ratings but with the desirable

demographics, programs with low ratings but with high profit margins, and programs with positive critical responses but with marginal ratings.

Advertising-supported networks are generally concerned with the size and composition of audiences. They typically buy ratings data from syndicated measurement services—usually Nielsen—to estimate the size and composition of audiences for each show. Audience data is then used to sell time around each show to advertisers interested in reaching potential customers in the demographic attracted to the show. Even with positive reviews, original programs with low ratings are more likely to be cancelled, because networks are more interested in revenue than critical accolades (Lotz, 2007).

In contrast to broadcast networks and cable networks, which rely on broadcast stations and MVPDs for the distribution of their programs and channels, experts have suggested that online television services are adopting a different approach to programming renewal decisions (Smith & Telang, 2016). For example, drawing on their own data such as subscribers' viewing history, patterns, and preferences, these online television services make a data-driven decisions on program selection and renewal.

In sum, as previously noted, programming strategies and practices in the television industry have evolved, adapting to technological changes and adopting different revenue models. In online television, which is a newcomer in the scene, some elements of conventional programming practices in scheduling, such as control of audience flow and segmenting 24 hours into several day-parts, have become less relevant due to the on-demand mode of viewing. New practices, such as making full episodes of a season available for binge-watching, have been adopted. However, there appears to be a gap in knowledge on online television's programming strategies and practices as programming literature has focused on linear programming strategies

and practices. It appears that newly formed practices have yet been examined comprehensively, even though the growth of online television. To fill the gap, this study attempted to examine original content programming strategies and practices in online television in comparison with those in linear television, looking for distinctive features and emergent patterns.

Research Questions and Hypotheses

The history of television reveals continued technological innovations, from radio to television, from broadcast television to multichannel television to online television, coupled with increased content carrying capacity and more choice and convenience in media consumption (Wolk, 2015).

In the broadcast network era, defining television was relatively easy and clear as there were not many aspects to consider in terms of distribution technology, TV receiver, and program options. Television was considered as an extension or evolution of radio, with the addition of video to the broadcast signal, delivered over the air to TV receivers at home, with original programs mostly available on ABC, CBS, and NBC (Curtin & Shattuc, 2009; Hilmes, 2011; Lotz, 2014; Sterling & Kittross, 2002).

Since the broadcast network era, the television universe has been expanded to give more options to viewers in terms of technology and programs due to the establishment of cable and satellite television and the recent rise of online television. New distribution technologies such as cable, satellite, and the Internet provided entrants with new ways to circumvent the entry barriers set by incumbents, leading to expanded capacity to deliver channels or video content to viewers.

Leading online television services such as Netflix and Amazon seized new opportunities in the emerging online television sector, developing new programming practices and a new stream of original series as alternatives to incumbents' service offering. With the addition of

online television's original content, the universe of television programs has expanded, allowing more choices for viewers.

In the context of the rise of online television in recent years, this study examined the impact of technological and economic factors on programming strategies and practices, with questions such as: How do revenue models influence programing? How do modes of distribution influence programing? What are key differences between original programs in online television and those in traditional linear television? In other words, are online television's original content strategies and programming practices different from those of linear television?

By investigating these questions, this study examines the economic and technological influence on programming of original content in the television industry, with a focus on distinctive features of programming strategies and practices in online television. Instead of focusing on a few exceptional programs, this study deals with original programs in aggregate to get a good vantage point for observation.

As featured in Table 1, a two-by-two matrix is formulated, considering two factors, modes of distribution and revenue models. Modes of distribution are composed of a linear mode and an on-demand mode, whereas revenue models are composed of an advertising-supported model and a subscription model. The linear and advertising-supported television can be further divided into broadcast networks and basic cable networks. Based upon this scheme, hypotheses are formulated, with a focus on subscription video on demand (SVOD) services in comparison with other sectors.

This study concentrates on scheduling and selection of television programs in programming strategies and practices. In scheduling strategies and practices, SVOD services are expected to be deviant from the programming conventions set by broadcast networks such as

episode running time, length of a season, release patterns, and season premiere date. In broadcast networks, which are financially reliant upon advertising, the time for commercial breaks must be set aside, which limits the ability of networks producers to vary running time among episodes and the length of each episode. With no considerations for commercial breaks and linear scheduling, SVOD services can have more room for variations in the length of programs between individual episodes and allow longer episode running times as well.

In addition, even without linear scheduling in programming, SVOD services are expected to have more variations in the number of episodes per season and release fewer number of episodes per season, breaking with the convention. For the differentiation based upon the on-demand mode of distribution, SVOD services would adopt predominantly the all-at-once rollout strategy in the release of original content rather than the weekly rollout strategy prevalent in linear television. In a similar vein, SVOD services would take a different approach to the convention of the television season, adopting the year-around release of original content. Thus, the premiere dates for original content would be more dispersed in SVOD services.

In Hypotheses 1-6, SVOD services are expected to show significant deviations from the conventional scheduling strategies and practices adopted by broadcast networks.

Hypothesis 1a. SVOD services are associated with more variations in running time of an episode than broadcast networks.

Hypothesis 1b. SVOD services are associated with more variations in running time of an episode than basic cable networks.

Hypothesis 1c. SVOD services are associated with more variations in running time of an episode than premium cable networks.

Hypothesis 1d. SVOD services are associated with more variations in running time of an episode than AVOD services.

Hypothesis 2a. SVOD services are associated with longer running time of an episode than broadcast networks.

Hypothesis 2b. SVOD services are associated with longer running time of an episode than basic cable networks.

Hypothesis 2c. SVOD services are associated with longer running time of an episode than premium cable networks.

Hypothesis 2d. SVOD services are associated with longer running time of an episode than AVOD services.

Hypothesis 3a. SVOD services are associated with more variations in number of episodes per season than broadcast networks.

Hypothesis 3b. SVOD services are associated with more variations in number of episodes per season than basic cable networks.

Hypothesis 3c. SVOD services are associated with more variations in number of episodes per season than premium cable networks.

Hypothesis 3d. SVOD services are associated with more variations in number of episodes per season than AVOD services.

Hypothesis 4a. SVOD services are associated with fewer number of episodes per season than broadcast networks.

Hypothesis 4b. SVOD services are associated with fewer number of episodes per season than basic cable networks.

Hypothesis 4c. SVOD services are associated with fewer number of episodes per season than premium cable networks.

Hypothesis 4d. SVOD services are associated with fewer number of episodes per season than AVOD services.

Hypothesis 5a. SVOD services are associated with more cases of releasing of entire episodes of a season than broadcast networks.

Hypothesis 5b. SVOD services are associated with more cases of releasing of entire episodes of a season than basic cable networks.

Hypothesis 5c. SVOD services are associated with more cases of releasing of entire episodes of a season than premium cable networks.

Hypothesis 5d. SVOD services are associated with more cases of releasing of entire episodes of a season than AVOD services.

Hypothesis 6a. SVOD services are associated with more dispersion in season premiere dates than broadcast networks.

Hypothesis 6b. SVOD services are associated with more dispersion in season premiere dates than basic cable networks.

Hypothesis 6c. SVOD services are associated with more dispersion in season premiere dates than premium cable networks.

Hypothesis 6d. SVOD services are associated with more dispersion in season premiere dates than AVOD services.

In selecting strategies and practices, SVOD services are expected to have a similar but differentiated approach to premium cable networks' programming strategies and practices, derived from the similarity in the subscription revenue model and the difference in the

distribution mode. With less regulation on programs, SVOD services are expected to release more programs with TV-MA ratings as a content differentiation strategy.

With an increasing subscriber base, SVOD services need to satisfy the different tastes of subscribers with various kinds of programs. Thus, SVOD services are expected to show more variety in their original programs, especially foreign language and foreign-produced programs for the differentiation. Those types of programs are not widely available on traditional linear television networks due to the US television industry's dominant position in the international television content market as discussed above. In recent years, some SVOD services like Netflix expanded to the international market, while expanding its subscriber basis in the domestic market. This expansion required content variety to satisfy foreign subscribers, leading to an increase in production and distribution of foreign language and foreign-produced programs.

For the acquisition and retention of subscribers, the perceived value of the service can be important to subscription-based television. SVOD services as a new entrant are expected to have more economic incentive to care about critical evaluation of and critical attention to their original programs in competition with other sectors, premium cable networks in particular.

The renewal of a program after the first season depends upon various factors such as viewership ratings, program costs, marketing, and publicity (Eastman & Ferguson, 2013). The renewal decision can be also affected by revenue models adopted by television networks. It is expected that advertising-supported networks are more likely to cancel new programs than subscription-based networks. It is known that SVOD services such as Netflix make a data-driven decision on the selection of original content, supported by data on subscribers' viewing patterns and preferences (Smith & Telang, 2016). Thus, SVOD services are expected to have a higher renewal rate than other networks.

In Hypotheses 7-11, SVOD services are expected to show a different approach to selecting strategies and practices.

Hypothesis 7a. SVOD services are associated with higher percentage of TV shows with TV-MA ratings in their program line-ups than broadcast networks.

Hypothesis 7b. SVOD services are associated with higher percentage of TV shows with TV-MA ratings in their program line-ups than basic cable networks.

Hypothesis 7c. SVOD services are associated with higher percentage of TV shows with TV-MA ratings in their program line-ups than premium cable networks.

Hypothesis 7d. SVOD services are associated with higher percentage of TV shows with TV-MA ratings in their program line-ups than AVOD services.

Hypothesis 8a. SVOD services are associated with more various types of programs than broadcast networks.

Hypothesis 8b. SVOD services are associated with more various types of programs than basic cable networks.

Hypothesis 8c. SVOD services are associated with more various types of programs than premium cable networks.

Hypothesis 8d. SVOD services are associated with more various types of programs than AVOD services.

Hypothesis 9a. SVOD services are associated with higher critical evaluation than broadcast networks.

Hypothesis 9b. SVOD services are associated with higher critical evaluation than basic cable networks.

Hypothesis 9c. SVOD services are associated with higher critical evaluation than premium cable networks.

Hypothesis 9d. SVOD services are associated with higher critical evaluation than AVOD services.

Hypothesis 10a. SVOD services are associated with more critical attention than broadcast networks.

Hypothesis 10b. SVOD services are associated with more critical attention than basic cable networks.

Hypothesis 10c. SVOD services are associated with more critical attention than premium cable networks.

Hypothesis 10d. SVOD services are associated with more critical attention than AVOD services.

Hypothesis 11a. SVOD services are associated with a higher percentage of renewals after the first season than broadcast networks.

Hypothesis 11b. SVOD services are associated with a higher percentage of renewals after the first season than basic cable networks.

Hypothesis 11c. SVOD services are associated with a higher percentage of renewals after the first season than premium cable networks.

Hypothesis 11d. SVOD services are associated with a higher percentage of renewals after the first season than AVOD services.

By testing these hypotheses, this study attempts to illuminate emerging patterns in original content programming practices, identifying distinctive characteristics of online television programming in comparison with linear television programming.

CHAPTER 3

METHOD

To answer research questions and test hypotheses presented in the previous chapter, this study conducted a comparison of original content programming strategies and practices among different television sectors, tracing new trends and patterns. The study used a field experimental design based on comparison among television sectors. The goal was to find the distinctive features and patterns in original content strategies and programming practices adopted and developed by online television in competition with traditional linear television.

In this study, original programs were composed of prime-time original scripted drama and comedy series, which were aired or released on commercial television and had their world premieres in the US television market.

More specifically, this study focused on prime-time original drama and comedy series on broadcast networks and comparable shows on cable networks and online television services. Excluded were children's programs and daytime soap operas for the comparison between television sectors on a similar basis. Information programs such as news, news magazines, and documentaries and other entertainment programs such as sports, reality, and game shows were not included in this study, either. One-off shows such as made-for-television movies and specials such as awards ceremonies also were not included in this study. The scope of original content in this study is summarized in Table 2.

In this study each television season started in May and ended in the following April. For example, the 2016-17 television started in May 2016 and ended in April 2017. This is different

from the traditional broadcast television seasons in the United States, which run from September to May, followed by summer seasons before new seasons. The reason for this difference is that this study attempted to include the most recent 2016-17 season. The inclusion of original series premiered in the 2017 summer season would make data collection and analysis difficult as many of programs were still running at the time of data collection.

The data on original programs premiered from May 2011 to April 2017 were collected and analyzed. Relying upon various sources, a profile of an original program by the season basis, composed of various programming elements, was compiled for the comparison.

As an industry-level approach, this study included all the original programs premiered in each TV season that met the definition outlined above, rather than focusing on a sample of original programs. A census of original programs released from May 2011 to April 2017 was conducted for the examination of the impact of technological and economic factors in the television industry on original content strategies and programming practices such as selection and scheduling. This study explored the emerging patterns in programming practices in online television and compared them with programming practices in linear television.

The unit of analysis in this study is individual programs by a season. In other words, each season of original programs were considered as separate programs for the purpose of analysis. For example, Netflix's *House of Cards* was in its fourth season as of 2016. For the comparison with other programs from competing television networks, the first season of *House of Cards* released in 2013 was treated separately from later seasons for the comparison with other programs in the same period. Programming-related attributes or information such as episode length, number of episodes per season, releasing pattern such as weekly scheduling or providing

full-season episodes, premiere date, TV ratings, genre, critical responses, and renewal decisions were collected and compared.

Variables

The variables in this study were composed of television sectors as independent variable and programming-related attributes as dependent variable as summarized in Figure 1. As explained in previous chapters, television sectors were built upon the combination of two variables: modes of distribution and exhibition, categorized as linear and on demand, and revenue models, which were categorized as advertising-supported and subscription only.

As presented in Table 1, four television sectors were derived from the two-by-two matrix of two variables. Linear and advertising-supported television were further divided into broadcast networks and basic cable networks due to distinct differences between them in terms of revenue models. With a varying degree, cable networks rely on not only advertising, but also fees paid by MVPDs such as cable systems and satellite television services for the carriage of cable channels to form multichannel pay-television service bundles. As original programs from broadcast networks and basic cable networks took a high portion in the entire original programs, this study treated them separately, dividing them into different sectors. Similar cases existed in the AVOD services sector. For example, Sony Crackle adopted an advertising revenue model, whereas Hulu adopted a hybrid model of advertising and subscription for its basic service and an ad-free subscription model for its premium service. However, as the portion of original content from AVOD services sector was relatively small in the entire programs, this study did not further divide this sector.

With the subdivision into these two sectors, five television sectors were formulated in this study for more accurate comparisons among them: broadcast networks, basic cable networks,

premium cable networks, AVOD services, and SVOD services. In each category, only networks or services with original scripted drama and comedy series were included. Table 3 presents networks and services in each television sector.

The dependent variables in the study were programming practices such as variations in episode running time, average episode running time, variations in the number of episodes per season, length of a season, release patterns, dispersion of premiere episodes, TV content ratings, content variety, content quality, and renewal decisions. This study examined the relationship between television sectors and programming practices, with a focus on programming of original content in online television.

Various elements in a season of individual programs comprised variables to be tested. In each program, the network or service that originated the program was coded as television sector, the independent variable in this study. For example, *House of Cards*, which originated on the streaming service, Netflix, was labeled SVOD services as its independent variable.

Dependent variables, programming practices, were coded in a similar way, drawing on various sources such as the Internet Movie Database (IMDb: http//www.imdb.com) about each program's season information. For example, as an Internet movie and TV database site, IMDb, provides information about a program such as episode guide, running time, date aired, season number, number of episodes per season, content ratings, and other program-related information. According to Alexa Internet[4], which provides commercial web traffic data and analytics, it is indicated that IMDb is one of the top ranked web sites providing information on movies and TV shows. IMDb's information on TV shows was cross-checked with and complemented by other

[4] Alexa Internet: IMDb traffic statistics (http://www.alexa.com/siteinfo/imdb.com)

sources such as Amazon (http//www.amazon.com), Wikipedia (http//www.wikipedia.org), TV reference sites, and trade journals.

In this study, content variety refers to less common types of original programs such as foreign language programs and foreign-produced programs. This study compared the portions of foreign language programs and foreign-produced programs in each sector's original programs.

Content quality refers to critical acclaims by TV critics who write TV program reviews for newspapers, magazines, Webzines, and so on. Although, in the evaluation of a program, not all critics are of the same opinions, the aggregation of reviews on a program indicates general perception about it. Coupled with aggregate reviews on TV shows, the number of reviews on a program can also indicates media's attention to or interest in the show.

For the measurement of content quality, film and TV review aggregate sites such as Metacritic (http//www.metacritic.com) and Rotten Tomatoes (http//www.rottentomatoes.com) provide useful information. These are the two prominent sites on the Internet, used in research (Kennedy, 2008; King, 2007; Shepherd, 2009). Each site provides its own rating on a program, aggregated from various reviews. The ratings for the season 4 of *House of Cards*, for example, was 76 out of 100 in Metacritic and 8.1 out of 10 in Rotten Tomatoes. Those ratings were aggregated from 17 and 28 reviews respectively. The number of reviews on a program is meaningful in that it indicates TV critics' interest in the show. Due to the sheer number of original series to cover these days, some original series can get little attention by TV critics for reviewing.

The number of nominations for renowned TV awards were also used as a complementary indicator for quality in programming. These awards include Primetime Emmy Awards (http//www.emmys.com), Golden Globe Awards (http//www.goldenglobes.com), and Peabody

Awards (http//www.peabodyawards.com). There are TV-related awards presented by television critics' association such as Critics' Choice Television Awards (http//www.criticschoice.com) and TCA Awards (http//www.tvcritics.org). The former is awarded by the Broadcast Television Journalists Association (BTJA) and the latter by the Television Critics Association. Other awards included in this study are Satellite Awards (http//www.pressacademy.com), awarded by the International Press Academy, and AFI Television Programs of the Year (http//www.afi.com), awarded by American Film Institute (AFI).

Among various categories, the number of nominations in categories such as outstanding drama series, outstanding comedy series, and outstanding limited series in the Primetime Emmy Award and equivalents in other TV awards was counted and analyzed. However, categories related to individual excellence in professional performance such as directing, writing, acting, and producing were not considered in this study, as this study focused on individual program's overall evaluation on its quality. In line with this, awards presented by professional associations were also excluded, such as Directors Guild of America Awards, Producers Guild of America Award, Screen Actors Guild Awards, and Writers Guild of America Awards as these awards honor individual excellence in each profession. For the examination of content quality, data on the number of nominations and selections in the TV awards were collected and compared between TV sectors.

Regarding renewal patterns, information on the renewal or cancellation of a show after its first season can be found in various sources from IMDb and Wikipedia to TV program reference sites such as The Futon Critic (http//www.thefutoncritic.com). Based upon this information, renewal rates on each network and television were calculated for comparison.

Data Collection

Before the gathering of program-related data, television networks or online services with original content needed to be identified and listed. The list of commercial television networks, especially cable networks, was made based upon Wikipedia and TV Guide's TV listings[5]. Television networks and services with original content were identified by visiting networks' websites, coupled with searching trade journal articles covering original programs. The list of television networks and online television services with original content is presented in Table 2. Then, original programs on each network and service were listed for the collection of specific data on programming attributes and related information.

The data for this study were collected from various sources and compiled for analysis and comparison. The main data collection occurred from March 2017 to August 2017, followed by corrections and updates on the data afterwards. These sources included online database and reference sites such as IMDb (online film and TV shows database), Wikipedia (free online encyclopedia), review aggregator sites such as Rotten Tomatoes and Metacritic, television networks' and online television services' sites, TV industry news aggregator such as Cynopsis (http//www.cynopsis.com), and other various sites providing information on TV programs such as TV Maze (http//www.tvmaze.com), The Futon Critic, and TV Guides (http//www.tvguide.com). In addition, articles covering TV shows and the television industry from major newspapers such as *The New York Times* (http//www.nytimes.com) and *Los Angeles Times* (http//www.latimes.com), and trade journals such as *Variety* (http//www.variety.com), *The Hollywood Reporter* (http//www.hollywoodreporter.com), and *Broadcasting & Cable*

[5] List of United States cable and satellite television networks (https://en.wikipedia.org/wiki/List_of_United_States_cable_and_satellite_television_networks) and TV Listings (http://www.tvguide.com/listings/)

(http//www.broadcastingcable.com) comprised additional data sources. For the article search and retrieve, this study used EBSCO's Film & Television Literature Index with Full Text database, using programs' titles as search terms.

As this study relied upon secondary data, information on programs was cross-checked based upon multiple sources. In case of conflicts between data sources, they were resolved by, for example, relying upon information on the majority of sources, more reliable sources or further looking into cases by referencing related articles on trade journals.

The data on episode running time was based upon a by-the-minute basis rather than a – by-the-second basis for more manageable collection of data and comparison. It was gathered from various sources such as Amazon, Netflix (http//www.netflix.com), Hulu (http//www.hulu.com), and IMDb.

In a preliminary collection and analysis, episode running time information on Netflix's *House of Cards* was found consistent across each source, Amazon, IMDb, and Netflix. However, in case of HBO's *Game of Thrones*, the running time was inconsistent, with running time on the HBO's own site longer than others, due to the inclusion of promos, recaps on previous season or episode, previews on coming episodes, and behind-the-scene clips. In this case, the shorter running time was selected over the longer running time to exclude possible extra materials other than original episode content.

As Amazon provides online video rental and retail in addition to its SVOD service, it has information on a wide range of TV shows, not limited to its original content. Due to wide availability and relative accuracy, this study relied upon Amazon as a main source for episode running time information, complemented by IMDb as an alternative source. As some original programs were only available to original networks or services, those programs' data were

collected from their exclusive service sites, for example, Netflix, Hulu, Sony Crackle (http//www.crackle.com), Yahoo! (http//www.yahoo.com), and YouTube (http//www.youtube.com).

Information on the number of episodes per season was collected from various sources such as Amazon, IMDb, TV Maze, Wikipedia, and original network or service sites. The collected data on the number of episodes was mostly consistent across data sources. Similarly, information on season premiere and finale dates and release patterns such as weekly and full-season release was available on IMDb, TV Maze, Wikipedia, and original network or service sites, mostly consistent among sources.

TV content ratings information on original programs was also collected from multiple sources such as Amazon, IMDb, TV Guide, and programs' original network or service sites. In case of inconstancy between sources, information was selected in the following order, programs' original network sites, Amazon, IMDb, and TV Guide.

Regarding content variety, information on original programs' languages and country of origin was collected from IMDb and Wikipedia, complemented by trade journal articles when necessary.

For the examination of content quality, data was collected from review aggregators. Review aggregators such as Metacritic and Rotten Tomatoes aggregate TV reviews from professional TV critics and calculate average scores on TV programs. Each site developed its own way of assigning scores to reviews and calculating an average score. From an aesthetic point of view, it can be a controversial way of summarizing evaluations on original content. As this study focused on economic aspects of original content, the usage of aggregated scores on original programs was useful as an indicator of content quality related to specific revenue

models. From these sources, aggregated review scores and the number of reviews on original programs were obtained.

In addition, the number of award nominations was used as a complement to aggregated review scores in dealing with content quality. Information on the number of nominations and selections for Primetime Emmy Awards, Golden Globe Awards, Satellite Awards, Critics' Choice Television Awards, and TCA Awards; and number of television awards such as AFI Television Programs of the Year and Peabody Awards was found in trade journal articles and each award's site.

Finally, renewal decision information was collected primarily from sources such as IMDb, Wikipedia, and The Futon Critic, a reference site on TV shows. When information on those sources seemed not clear, renewal/cancellation information was collected by referencing trade journals such as *Variety*, *The Hollywood Reporter*, and Deadline Hollywood (http//www.deadline.com). TV By the Numbers (http//tvbythenumbers.zap2it.com), a reference site on TV shows and viewership ratings, also provides renewal/cancellation information on original shows at the end of the season, at the start of the new season, or whenever a show is renewed or cancelled. When renewal decisions were not made by original networks or services, those cases were categorized as undecided.

As this study conducted a census of original programs, inferential statistical analysis was not necessary. Instead, descriptive statistical analysis was conducted using SPSS statistical package.

CHAPTER 4

RESULTS

The methods described in Chapter 3 resulted in a dataset consisting of 1,655 cases of original programs released from the 2011-12 television season to the 2016-17 television season in the television industry in the United States. The number of original programs released in the television industry has increased as shown in Table 4. In the 2011-12 season, 202 original scripted shows were released, a number that increased to 369 in the 2016-17 season, the last season for which data were collected for this study. That represents an annual growth rate of 11% on average.

The television industry showed an overall increase in original programs from 2011-12 to 2016-17 season; however, there exist differences in growth rates among television industry sectors. Broadcast networks and premium cable networks showed moderate growth in original programs during the period at around 4% per year on average, followed by basic cable networks which had a 9% increase in original programs per year on average. Relatively significant growth was found in online television sectors, AVOD and SVOD, with 38% and 102% increases in the amount of original programs produced per year respectively. Particularly, SVOD's release of original programming more than doubled in recent seasons, with 33 releases in 2015-16, rising to 68 releases in 2016-17, while other sectors' growth mostly stabilized during the same period.

The recent growth in original content appears to be driven by the rise of online television and increased competition among television networks. Table 5 shows the number of television networks that released at least one original program in a given season. In particular, the number

of basic cable networks with original content grew from 17 in 2011-12 to 32 in 2015-16. This suggests intensified pressure for basic cable networks in dealing with changing competitive market environments. Original programs might be employed to enhance networks' brand identity, following the success of AMC that relied upon its original programs such as *Mad Men*, *Breaking Bad*, and *The Walking Dead*.

When individual networks or services were compared, Netflix surpassed any other individual network, including broadcast networks, in the number of original programs released in the 2016-17 season. Netflix released 43 original programs in that season, followed by CBS, ABC, Fox, NBC, and The CW. Those broadcast networks aired 30, 27, 25, 21, and 16 original programs respectively, as indicated in Table 6. Tying with HBO, Amazon distributed 14 original programs, distributing more than other cable networks such as Freeform and FX. Hulu also released 10 original programs, surpassing AMC, Showtime, USA Network and other cable networks.

Some basic cable networks such as WGA America decided not to release new original series, whereas Discovery and National Geographic embarked on original scripted series (de Moraes, 2016; Goldberg, 2017; Littleton, 2017). It is reported that Apple, Google, and Facebook from the IT industry are planning to enter into original programs, and have said they are willing to spend as much as one billion dollars per year (Koblin, 2017b).

The categorical composition of original content is shown in Table 7. In this study, original content was categorized into half-hour shows, one-hour shows, and miniseries, depending on episode length and program season. There existed more variations in miniseries, from half-hour to one-hour, even to 90 minutes or more. To varying degrees, conventional linear television, broadcast networks and cable networks, tended to have a higher proportion of one-

hour TV shows than online television. Within online television, subscription-based online television (SVOD) had a relatively higher percentage of one-hour shows than advertising-supported online television (AVOD). Basic cable networks had more miniseries than any other TV sectors, releasing 32 miniseries from 2011-12 season to 2016-17 season with almost 5% of original programs.

Table 8 summarizes the number of programs divided by modes of distribution (linear and on-demand) and revenue models (advertising-supported and subscription). Reflecting their relatively recent entry into original content, the number of original programs distributed by online television services, which use only the on-demand mode of distribution and exhibition, was smaller than that of linear television, with online television services releasing a total of 170 and linear television networks releasing a total of 1,485 from 2011-12 season through the 2016-17 season. The rapid growth in the number of original programs released by online television services in recent seasons has greatly reduced the gap between online television services and linear television networks, however. Regarding revenue models, advertising-supported television sectors released 1,338 original programs, whereas subscription television sectors released 317 original programs in total from 2011-12 season to 2016-17 season.

In short, there has been an increase in original content in the television industry in general, and in online television, in particular. In the following, emerging patterns in original content programming practices will be analyzed, focusing on online television in comparison with conventional linear television.

Episode Running Time

The mean of episode running-time-per-season and the mean of standard deviation of episodes in a season of an original program are tabularized in Table 9. An original program is

composed of multiple episodes in a season. Episode running-time can be consistent throughout a given season or can show variations among episodes. The mean of episode running-time-per-season and its variations as measured by the standard deviations of the episode running-time, were calculated. Using individual season's running-time mean and standard deviations of the episode running time, the mean of accumulated seasons of program running-time mean and the mean of standard deviations for each television sector were also obtained for comparison.

Table 9 indicates distinctive patterns in terms of episode running time and episode-to-episode variations among the different television sectors. In half-hour original shows, premium cable networks showed the longest average running time of 28.11 minutes, followed by SVOD services' 26.60 minutes. The shortest running time went to broadcast networks, with 20.96 minutes. One-hour programs showed similar patterns. The longest average running-time was on premium cable networks at 54.78 minutes, whereas the shortest was on broadcast networks, averaging 42.23 minutes.

In case of variations in half-hour shows, SVOD services had the greatest variations with an average standard deviation of 1.67, followed by premium cable networks with 1.57, as shown in Table 9. Broadcast networks showed the least variation in running-time, with an average standard deviation of 0.33. Similarly, for one-hour programs, the order stayed intact, SVOD services with the greatest variability, an average standard deviation of 4.55, followed by premium cable networks, an average standard deviation of 3.86, and broadcast networks having the least, an average standard deviation of 0.72.

However, within miniseries, different patterns appeared due to various episode lengths, from half-hour to one-hour or beyond. As shown in Table 9, AVOD services released only one miniseries and SVOD services released three miniseries in total, making comparison between

television sectors difficult. For this reason, only half-hour and one-hour shows were considered when hypotheses were tested.

In Hypothesis 1a through 1d, which predicted that SVOD services would be associated with more variations in running time of an episode than broadcast networks (H1a), basic cable networks (H1b), premium cable networks (H1c), and AVOD services (H1d), all were supported in both half-hour and one-hour program categories (Table 9).

Hypothesis 2a to 2d predicted that SVOD services would be associated with longer running time of an episode than broadcast networks (H2a), basic cable networks (H2b), premium cable networks (H2c), and AVOD services (H2d). All but H2c were supported (Table 9).

The results of H1 and H2 tests suggest the impact of revenue models and distribution modes on original programming practices. As shown in Table 10, television sectors that rely on advertisements tend to be shorter in episode running time with less variability between episodes. This is clearly due to the needs to secure time within each episode to sell a predictable number of advertisements. Similarly, linear television had shorter episode running time and less variability between episodes than online television as indicated in Table 11.

Within advertising-supported television, broadcast networks had more restrictions on programming, indicated by their shorter episode running-time, 20.96 minutes in half-hour shows and 42.23 minutes in one-hour shows on average, and lower variability in length, with the mean of standard deviations of 0.33 in half-hour shows and 0.72 in one-hour shows, followed by basic cable networks, 21.26 minutes in half-hour shows and 43.56 minutes in one-hours shows with the mean of standard deviations of 0.64 in half-hour shows and 1.96 in one-hour shows. In addition to advertisements, basic cable networks have another revenue source, carriage fees paid by MVPDs for basic cable networks' channels bundled in pay-television services.

In contrast, premium cable networks and SVOD services, which adopted the subscription revenue model and, therefore, had no need to sell advertising time, had longer running times (27.46 minutes in half-hour shows and 53.90 minutes in one-hour shows) and more episode-to-episode variations (average standard deviations in length of 1.61 in half-hour shows and 4.11 in one-hour shows) than advertising-supported television sectors (21.25 minutes in half-hour and 42.92 minutes in one-hour shows, with average standard deviations in length of 0.50 in half-hour shows and 1.34 in one-hour shows) (Table 10).

Modes of distribution also made an impact on programming practices, indicated by differences between television sectors relying on the same revenue model. Premium cable networks, which adopted a linear mode of distribution, had running times close to 30 minutes (28.11 minutes in half-hour shows) and 60 minutes (54.78 minutes in one-hour shows), more suitable for managing time slots and primetime schedules (Table 9). As a result of their adoption of on-demand distribution, SVOD services had less concern for managing time slots and primetime schedules than premium cable networks did, indicated by shorter running times (26.60 minutes in half-hour shows and 52.40 minutes in one-hour shows) and higher variability (average standard deviations in length of 1.67 in half-hour shows and 4.55 in one-hour shows) than premium cable networks.

Under the same revenue model of advertising, AVOD services, which also adopted on-demand distribution, had longer running times and more variations than broadcast networks and basic cable networks (Table 9). Within online television, however, AVOD services appeared closer to conventional linear television, such as broadcast networks and basic cable networks, than SVOD services, which had shorter episode running times and lower variability of episode lengths.

These differences might be related to the fact that both of the two main AVOD services, Hulu and Sony Crackle, are owned by television industry incumbents. Hulu is a joint venture with Disney-ABC Television Group, Fox Entertainment Group, NBC Universal, and Turner Broadcasting System. Sony Crackle is a subsidiary of Sony Pictures Entertainment. Instead of fully following programming practices developed by SVOD services such as Netflix and Amazon, which are new entrants to the television industry and originated from the Internet industry, Hulu and Sony Crackle might follow traditional practices set by incumbents in the television industry.

In sum, as indicated by Table 10 and Table 11, both revenue models and modes of distribution made an impact on programming practices, showing differences in episode running time and variations. However, the differences were more distinct in revenue models than in modes of distribution.

Length of Program Season

Table 12 reports the length of program seasons using the number of episodes per season, and number of days and weeks between season premiere date and finale date. Also included in the table are the variations in number of episodes per season, measured by the standard deviation of the number of episodes per program season. Original programs on broadcast networks had more episodes than any other television sectors, 17.32 episodes per season on average. Basic cable networks followed broadcast networks, with an average of 12.55 episodes per season. Premium cable networks' programs had the fewest number of episodes per season, 10.01 episodes, while online television averaged slightly more, with SVOD services averaging 10.37 episodes per season and AVOD services averaging 10.53 episodes per season.

In terms of variations in number of episodes per season, basic cable networks showed higher variability than others (*SD* = 6.68), followed by broadcast networks (*SD* = 5.92), AVOD services (*SD* = 3.87), SVOD services (*SD* = 2.42), and premium cable networks (*SD* = 2.08) as shown in Table 12. Basic cable networks released more miniseries, composed of a relatively small number of episodes, than other television sectors. For example, Discovery Channel's miniseries, *Harley and the Davidsons*, had only three episodes. On the other hand, some programs had a large number of episodes. For example, the second season of *Anger Management*, FX's comedy series, aired 90 episodes. The number of basic cable networks with original content surpassed those of other television sectors. It appeared to be more variations in programming strategies among basic cable networks. In case of broadcast networks, some shows were cancelled early in the season due to poor ratings. For example, ABC's *Luck 7* got cancelled after airing two episodes.

Using number of days or weeks between premiere and finale, the average length of programs' seasons were compared between television sectors. In linear television sectors, with more episodes per season, program seasons were longer than they were in online television sectors. For example, broadcast networks' original programs were composed of 17.32 episodes per season, taking 161.51 days or 23.07 weeks to complete a program season (Table 12). Broadcast networks tended to release no new episodes during holiday weeks such as Thanksgiving and Christmas, thus, it needed more weeks than the number of episodes to finish a program season. In contrast, premium cable networks had 10.01 episodes per season on average and took 9.60 weeks to complete a season, with few hiatus weeks.

Online television displayed different patterns from those of linear television, having shorter program seasons, 38.77 days or 5.53 weeks for AVOD services and 7.49 days or 1.07 weeks for SVOD services (Table 12). This is related to online television's characteristic release

patterns, which is to release the full season all at once, making all episodes available when the season premieres. To varying degrees, online television adopted the full season release practice to differentiate itself from linear television networks. In the following section, this will be discussed in detail.

In Hypothesis 3a to 3d, it was predicted that SVOD services would be associated with more variations in number of episodes per season than broadcast networks (H3a), basic cable networks (H3b), premium cable networks (H3c), and AVOD services (H3d). Only H3c was supported, with greater variation in the number of episodes in a season for SVOD services (*SD* = 2.42) than premium cable networks (*SD* = 2.08) as shown in Table 7. The other hypotheses were not supported in this study.

Hypothesis 4a to 4d predicted that SVOD services would be associated with fewer number of episodes per season than broadcast networks (H4a), basic cable networks (H4b), premium cable networks (H4c), and AVOD services (H4d). As indicated in Table 7, all but H4c were supported by the analysis. Contrary to the prediction in H4c, premium cable networks had fewer episodes (10.01 episodes per season) than SVOD services (10.37 episodes per season).

In addition, Table 13 shows differences between average number of episodes in the first season and average number of episodes in the later seasons among TV sectors. Original programs in SVOD services had the smallest difference between the first season and the later season (0.46), followed by premium cable networks (1.04). In contrast, the difference was the largest in broadcast networks' original programs. Overall, subscription-based television showed smaller differences, whereas advertising-supported television displayed larger differences, indicating the impact of revenue models on programming practices. Broadcast networks appeared to take a cautious approach to new programs, ordering a small number of episodes in

the first season, then increasing the number of episodes based upon programs' viewership ratings.

Release Patterns

Five release patterns were identified in this study as presented in Table 14. The most prevalent release practice was weekly scheduling of episodes throughout the season. Most of the original programs in linear television sectors were released in this way, 95.9% in basic cable networks and 99.7% in broadcast networks.

The emerging release pattern predominantly adopted by online television sectors was full-season release, making available all episodes in a season at the time of release for on-demand viewing. AVOD services released 46.8% of their original programs in this way, while SVOD services relied even more heavily on this release practice, releasing 91.1% of their original programs in this way.

A very small number of cases–six in all–existed in which cable networks used a combination of weekly and full season release strategies, in which networks released original programs adopting weekly release on their linear channels, while making available all episodes in a season using on-demand mode of distribution. Two cases were found to use a marathon running of an entire season of episodes within a few days as shown in Table 14. Daily release, day-to-day scheduling of episodes, were mostly adopted in the distribution of miniseries and primetime soap operas, especially by basic cable networks, making up a total of 3.2 % of the original shows in the dataset. Basic cable networks, in which relatively large number of channels competed with each other, were shown to experiment with various ways of releasing original programs, resulting in small cases in each release pattern.

Hypothesis 5a through 5d predicted that SVOD services would be associated with higher ratios of full season releases than broadcast networks (H5a), basic cable networks (H5b), premium cable networks (H5c), and AVOD services (H5d). All of them were supported, as SVOD services had the highest ratio of full season releases, 91.1% of all releases (Table 14). The results suggest a differentiated releasing strategy employed by online television, taking advantage of its on-demand mode of distribution. Influenced by different revenue models and industry backgrounds, SVOD services showed a higher ratio, 91.1%, than AVOD services, which distributed 46.8% of its original programs in full season release.

Dispersion of Premiere Episodes

Table 15 depicts the monthly dispersion of season premiere episodes. Overall, almost 60% of the premiere episodes were released in September (23%), October (12.9%), June (12.2%), and January (11.4%). Only 2.3% of premiere episodes were scheduled in December, followed by May and August, 3.4% and 3.5% respectively. In parallel, the release patterns of season finale episodes are summarized in Table 16. Industrywide, 25.1% of the finale episodes were released in May, followed by April (10.7%), March (9.7%), and December (9.1%).

As indicated in Table 15, around 60% of the premiere episodes in broadcast networks were concentrated on September (46.7%) and October (19.0%), maintaining conventional practices of the fall television season in which a new season of TV series starts in September or October and ends mostly in May or April. Reflecting these conventional patterns, the majority of the season finale episodes were scheduled in May (54.4%), followed by April (9.3%) as shown in Table 16.

In basic cable networks, the top three months in which season premiere episodes were scheduled were June (22.4%), January (14.3%), and March (9.8%) (Table 15). Meanwhile,

August (13.7%), December (12.6%), and September (11.6%) composed the top three months in which finale episodes were scheduled (Table 16). This releasing strategy is different from that of broadcast networks, in that basic cable networks premiered many original programs in June (22.4%), while broadcast networks premiered only 3.8% of the original programs included in this study. The data suggests that basic cable networks strategically targeted the summer season when broadcast networks released fewer original programs.

Premium cable networks assigned around 60% of premiere episodes in April (19.1%), January (17%), October (14.9%), and June (10.3%), ending almost 60% of its season in December (18%), June (17.5%), April (11.9%), and September (11.9%) as shown in Table 15 and Table 16. According to the data, premium cable networks used four periods in scheduling original programs throughout a year: January to April, April to June, June to September, and October to December.

In online television, AVOD services' top three premiering months were composed of April (17.0%), August (17.0%), and October (12.8%) (Table 15), whereas the top three months in which finale episodes were scheduled included April (21.3%), September (14.9%), and July (12.8%) (Table 16).

For SVOD services, the top three months in which original programs were premiered were March (17.1%), September (9.8%), and December (9.8%) as shown in Table 15. Meanwhile, March (15.4%), April (9.8%), and September (9.8%) composed the top three months in which season finale episodes were released (Table 16). There was a distinctive pattern in SVOD services' release practices, in that they showed more dispersion of premiere episodes throughout a year than other television sectors.

In Hypothesis 6a to 6d, it was predicted that SVOD services would be associated with more dispersion in season premiere dates than broadcast networks (H6a), basic cable networks (H6b), premium cable networks (H6c), and AVOD services (H6d).

The proportion of the top three months with premiere episodes in online television (SVOD) was 36.7%, which is lower than broadcast networks (73.7%), basic cable networks (46.5%), premium cable networks (51%), and AVOD services (46.8%). Meanwhile, the portion of the bottom three months was 17.8%, higher than the portion in broadcast networks (2.6%), basic cable networks (11.2%), premium cable networks (7.7%), and AVOD services (8.6%). These results indicate that more dispersion of season premiere dates throughout a year was found in SVOD online television than other types of networks, supporting all the hypotheses, from H6a to H6d. Instead of concentrating on a few months, SVOD services spread season premieres over the entire year. This pattern had to do with the adoption of the full season release practice, as it became necessary to have new programs in each month.

There also existed differences between television sectors in day-of-week release patterns. The television industry in general premiered only 2.4% of original programs on Saturday, whereas 20.5% of premiere episodes were released on Sunday, as shown in Table 17.

Broadcast networks premiered the most on Thursday (22.2%), followed by Tuesday (18.4%) and Wednesday (18.4%) (Table 17). These three midweek days formed 59% of the chosen release days. Saturday was the least favored day for premiering, forming only 0.2%, followed by Friday, 9.1%. Broadcast networks' revenue model was reflected in these premiering practices as broadcast networks could reach larger audiences in those mid-weekdays.

Similar patterns were found in basic cable networks, with Wednesday (22.2%), Tuesday (20.7%), and Monday (17.7%) composing 60.6% of premiere dates (Table 17). Similarly, only a

small portion of premiere episodes were scheduled on Saturday (3.6%) and Friday (6%). Due to lowest overall ratings as people tend to be out for social gatherings, those days were not favored by basic cable networks for premiering original programs.

The day-of-week release pattern in premium cable networks was very different from those found in broadcast and basic cable networks. Weekends were heavily favored for new releases by premium cable networks, with almost 80% of new releases being scheduled on, Sunday (68%) and Friday (11.3%) (Table 17). Some of premiere episodes were also scheduled on Saturday (6.7%), particularly by Starz, a relatively higher percentage than was found in other television sectors.

The majority of the premiere episodes in AVOD services were scheduled on weekdays, especially on Tuesday (31.9%) and Wednesday (29.8%) (Table 17). In contrast, there were no premiere episodes released on Saturday.

Premiere episodes on SVOD services were heavily concentrated on Friday (78.9%), distantly followed by Thursday (10.6%) (Table 17). This resembles theatrical release patterns found in the film industry. This practice helps subscribers to binge-watch original programs during the weekend, differentiating SVOD services from premium cable networks that rely upon the same revenue model of subscription.

In summary, the television networks that rely on advertisements showed somewhat similar day-of-week release patterns regardless of modes of distribution that they adopted, spreading premiere episodes early or mid-weekdays, while avoiding Friday and Saturday. On the other hand, subscription-based television concentrated on weekends regardless of their distribution platforms.

Day-of-week dispersion patterns found in finale episodes were generally similar to premiere episodes release patterns (Table 18). One distinctive feature in finale episodes release patterns was a relatively higher portion on Saturday in broadcast networks. In contrast to only 0.2% of premiere episodes, 3% of finale episodes were scheduled on Saturday. Broadcast networks "burned off" unaired episodes of original programs, which got cancelled during the season, by allocating unusual time slots like Saturday, mostly during the summer. Some of the 3% of the finale episodes found on Saturday were examples of this programming practice. For example, ABC's *Zero Hour* and NBC's *Do No Harm* were scheduled in this way.

Television Content Ratings

Table 19 summarizes television content ratings of original programs from TV-Y, appropriate for all children, to TV-MA, designed to be viewed by adults. As this study excluded children's programs from original programs, most of original programs fell into TV-14 (52.7%), TV-MA (26.8%), or TV-PG (17.2%).

Due to restrictions on programs, broadcast networks had no original programs with TV-MA rating, most programs falling into either TV-14 (70.7%) or TV-PG (28.5%) (Table 19). As advertising-supported revenue model incentivizes the pursuit of broader and larger audiences, those content ratings were in line with the business goals of broadcast networks.

Meanwhile, due to the requirement that viewers have to choose to subscribe to an MVPD such as a cable system operator or a satellite television service provider in order to view non-broadcast networks, government restrictions on content are less for pay-television services. That gives even basic cable networks more options for original programs in terms of content ratings. Reflecting this, basic cable networks, in general, released more TV-MA rated original programs (22.7%) than broadcast networks, although TV-14 rated shows were still in the majority (58.6%)

(Table 19). However, it should be noted that there existed variations within basic cable networks, due to different targeting and positioning strategies among cable channels. For example, FX, known for its edgy and gritty original programs, had a high percentage of TV-MA rated shows, 92.4%. Freeform and MTV, targeting younger audiences, had no original programs rated as TV-MA.

Premium cable networks took a distinctively different approach to television content ratings. The vast majority (97.4%) of original programs were rated as TV-MA (Table 19). Subscription revenue models with no reliance upon advertisements center on the retention of existing subscribers as well as the acquisition of new subscribers. Without differentiated original content, it would be difficult for premium cable networks to compete with broadcast networks and basic cable networks. Free from heavy restrictions on programs, premium cable networks could experiment with various subject matters, unconventional characters, and visual styles.

The composition of content ratings in AVOD services were similar to other advertising-supported television networks. The ratio of TV-14 (38.3%) was higher than TV-MA (34.0%) in AVOD original content as shown in Table 19. However, because providing content ratings remains optional for programmers, there were limitation on the availability of ratings information for many of the programs included in this study, with N/A composing 25.5% of AVOD services' original programs. That made it difficult to accurately compare content ratings between TV networks.

SVOD services resembled premium cable networks in the overall composition of content ratings. The percentage of TV-MA programs (71.5%) were higher than other networks except premium cable networks (97.4%) (Table 19). The composition of content ratings indicates that SVOD services targeted wider audience bases than premium cable networks. For example,

Netflix released 43 original series in the 2016-17 season, with TV-MA composing 69.8%, TV-14, 16.3%, and TV-PG, 11.6%.

Hypothesis 7a to 7d predicted that SVOD services would be associated with a higher percentage of TV shows with TV-MA ratings in their program line-ups than broadcast networks (H7a), basic cable networks (H7b), premium cable networks (H7c), and AVOD services (H7d). All but H7c were supported as premium cable networks had more TV-MA shows than SVOD services, 97.4% to 71.5% (Table 19).

Television sectors relying upon advertisements had a higher ratio of TV-14 programs, whereas subscription-only television released a higher ratio of TV-MA programs, indicating the influence of revenue model on the types of original programs released.

Content Variety

In this study, the composition of foreign language and foreign-produced programs in original programs was employed as an indicator for programming variety. Foreign-produced programs included English language programming that was produced by or co-produced with production companies in the United Kingdom, Canada, Australia, or other foreign countries.

Foreign language programs in this study included not only foreign-language-only programs but also programs that had both English and foreign languages. Industrywide, a very small portion of original programs were foreign-language programs, only 2.2% of all original programs included in the study, as shown in Table 20.

In the conventional linear television sectors, 99.4% of programs were English-only programs. The portion was reduced to 91.5% in AVOD services. SVOD services provided more original foreign language programs than other television sectors, 13.8% (Table 20).

In a similar way, foreign-produced programs included both co-productions between US producers and foreign producers and foreign-only productions. Due to co-production with foreign producers from English-speaking countries such as the United Kingdom and Canada, the industrywide portion of foreign-produced programs were relatively high, 6.9% of the total original programs, in comparison to the portion of foreign language programs (Table 21).

With varying levels, broadcast networks, basic cable networks, and AVOD services used foreign-produced programs for less than 10% of their total original content. By contrast, SVOD services released the most foreign-produced programs, 22%, followed by premium cable networks with 13.4% (Table 21).

In Hypothesis 8a through 8d, it was predicted that SVOD services would be associated with more various types of programs than broadcast networks (H8a), basic cable networks (H8b), premium cable networks (H8c), and AVOD services (H8d). All of the hypotheses were supported as indicated in Table 20 and Table 21. SVOD services showed the highest ratio of foreign language programs (13.8%) and foreign-produced programs (22%).

It should be noted that Netflix differentiated itself by adopting original programming practices of distributing relatively a high proportion of foreign language and foreign-produced programs, as the service was expanded worldwide to all except a few countries. Most of original programs released for individual foreign markets were also available to Netflix subscribers in the United States.

Content Quality

This study used professional critics' evaluations, critical attention, and the achievements on various TV awards as indicators for programming quality. Critical acclaim was measured by aggregate review scores on review aggregator sites such as Metacritic and Rotten Tomatoes.

Complementing this, the number of reviews on original programs on those sites were used to measure critical attention, showing the degree of TV critics' interest in the original programs.

Aggregated review scores beyond the first season were excluded from the analysis. TV critics and reviewers tend to focus on the first season, thereafter paying less attention to long-running shows. As a result, some shows were not fully covered by critics, creating a bias toward certain types of shows that drew favorable critical responses in the previous seasons, while ignoring other shows.

For the purpose of comparison, review scores on Rotten Tomatoes, on which 10 is the highest score with one decimal place, were multiplied by 10 to match with those on Metacritic, on which 100 is the highest score.

As shown in Table 22, there were differences between two review aggregators, Metacritic and Rotten Tomatoes, especially on the number of reviews. Two aggregators have their own criteria of including TV reviews, with Rotten Tomatoes tending to include more reviews from niche online media. On average, Rotten Tomatoes' aggregated review scores were a little higher than those of Metacritic, 61.39 and 60.24 on average respectively, based on more reviews, 26.08 and 18.98 (Table 22).

In terms of critical evaluation, both sites showed similar patterns, with premium cable networks leading in review scores, 69.56 on Metacritic and 71.17 on Rotten Tomatoes (Table 22). Broadcast networks received the lowest score, 55.11 on Metacritic and 55.87 on Rotten Tomatoes (Table 22). However, there were mixed results in the second place. SVOD services were in the second in Metacritic (68.09), but AVOD services were in the second in Rotten Tomatoes (67.86). In each case, both SVOD and AVOD services were higher than broadcast networks and basic cable networks and lower than premium cable networks in scores.

Hypothesis 9a to 9d predicted that SVOD services would be associated with higher critical evaluations than broadcast networks (H9a), basic cable networks (H9b), premium cable networks (H9c), and SVOD services (H9d). H9a and H9b were supported, as premium cable networks' original programs had higher evaluations from critics than SVOD original programs as indicated in Table 22. AVOD services' programs had also higher evaluations in Rotten Tomatoes than SVOD services' programs.

Subscription-based television sectors were shown to focus on the programming quality of original programs, for the purpose of retaining existing subscribers and luring new subscribers into subscription. With a similar approach to programming quality, based on the results in Table 22, premium cable networks still had an edge over a new rival, SVOD services.

In terms of volume of critical attention, measured by the average number of reviews on original programs, broadcast networks, 24.54 on Metacritic and 33.62 on Rotten Tomatoes, and premium cable networks, 24.38 on Metacritic and 34.18 on Rotten Tomatoes, gained a similar level of attention, followed by SVOD services, (14.68 and 25.03 respectively), and basic cable networks (14.42 and 18.25) (Table 22).

Notwithstanding getting the most reviews, broadcast networks' aggregate review scores were the lowest among television networks (Table 22). TV critics, in general, paid attention to new original programs aired on broadcast networks, however, most of them did not meet critics' expectations. In contrast, in addition to gaining a high volume of critical attention from TV critics, premium cable networks' original programs received very positive responses from TV critics.

In Hypothesis 10a to 10d, it was predicted that SVOD services would be associated with more critical attention than broadcast networks (H10a), basic cable networks (H10b), premium

cable networks (H10c), and SVOD services (H10d). Only H10b and 10d were supported, with SVOD services' original content receiving more reviews than basic cable networks' and AVOD services' (Table 22). Despite the recent rise of online television and viewers' interest in its original content, TV critics' focus still remained on broadcast networks and premium cable networks.

Table 23 demonstrates the achievements in terms of TV awards by each television sector. The measures included nominations in specific categories such as drama series and comedy series for Primetime Emmy Awards, Golden Globe Awards, Satellite Awards, Critics' Choice Television Awards, and TCA Awards; and number of television awards such as AFI Television Programs of the Year and Peabody Awards.

Although there were year-to-year fluctuations, distinctive patterns were identified that indicate the decline of broadcast networks and the rise of SVOD services in TV awards. The proportion of awards won by broadcast networks fell almost in half, from 30.1% in 2011 to 16.3% in 2016 (Table 23). In contrast, online television took much of broadcast networks' reduced portion. In 2016, the share of awards given to original online television content rose to 28.3% combined together, 26.1% for SVOD original content and 2.2% for AVOD original content. As evidenced by the data in Table 22 and Table 23, online television came to compete on a par with incumbent television networks as measured by industry awards given for programming quality.

Renewal Patterns

Renewal patterns after a first season are shown in Table 24. Miniseries programs, which by definition last only a single season, were not included in the total of 649 first-season original programs. Renewal decisions were categorized into renewal, cancellation, and undecided, in

which case, programs' renewal decisions were not yet made or unknown as of this writing. The industrywide renewal pattern revealed a higher ratio of renewal, 59.8%, than cancellation, 39.8%.

Broadcast networks marked the highest ratio of cancellation, 58.9%, of all television sectors. In search of larger audiences, their advertising-supported revenue model made them more sensitive to viewership ratings performance, resulting in many first-season programs getting cancelled during or after the first season as a result of low ratings (Table 24).

This was in contrast with basic cable networks, which employed dual revenue sources through advertisements and subscription revenues. As indicated in Table 24, basic cable networks' renewal ratio was higher, 68.4%, than the broadcast networks' ratio, 41.1%.

Subscription-based premium cable network took a different approach, resulting in an even higher renewal ratio of 80% (Table 24). Due to the subscription revenue model that premium cable networks adopted, other factors than viewership ratings were taken into consideration in renewal decisions. For example, notwithstanding low ratings, an original series that would receive critical acclaim and might help to enhance channel brand image could be renewed for the next season. These considerations had to do with higher renewal ratio in premium cable networks.

The renewal patterns of AVOD services were somewhat similar to basic cable networks, marking a renewal rate of 70.4%. Hulu, which provided the most original series within the AVOD online television sector, also adopted a dual revenue-source model similar to basic cable networks' model. SVOD services' renewal rate was slightly lower than premium cable networks' renewal rate, renewing 76.4% of their original programs.

Hypothesis 11a to 11d predicted that SVOD services would be associated with a higher percentage of renewals after the first season than broadcast networks (H11a), basic cable networks (H11b), premium cable networks (H11c), and AVOD services (H11d). All other hypotheses were supported except H11c, in which premium cable networks had a higher percentage of renewals, 80%, than SVOD services 76.4% (Table 24). In general, subscription-based television sectors renewed more original programs after the first season than advertising-supported television sectors did.

In sum, the results suggest the influence of revenue models and modes of distribution on programming strategies and practices, indicated by similarities and differences among television sectors in their practices. With varying degrees, linear television sectors showed conventional linear scheduling practices, whereas online television sectors showed different practices. Subscription-based television sectors showed similarities in their programming strategies and practices, differentiated from advertising-supported television sectors. SVOD services in online television showed distinctive patterns, especially in scheduling and release patterns, but also showed some similarities with premium cable networks.

CHAPTER 5

CONCLUSION

Summary of Findings

This study examined the impact of revenue models and modes of distribution on original content programming strategies and practices, comparing television sectors to look for distinctive programming patterns in online television.

There was an increase in the number of original programs released by the television industry in general, and online television, in particular, in recent years. In the linear television sectors, there was a significant increase in the number of original programs distributed by basic cable networks, while there was a steady increase in broadcast networks' and premium cable networks' distribution of original content.

In the context of increased original content offerings, this study formulated and tested 11 hypotheses, with each hypothesis composed of four sub-hypotheses. Focusing on SVOD services' programming practices, it attempted to identify the emerging patterns in original content strategies and programming practices in online television.

Regarding the episode running time, SVOD services showed more episode-to-episode variations than other television sectors (H1). SVOD services also had a longer average running time per episode than other television sectors except premium cable networks (H2). In the number of episodes per season, SVOD services showed more variations than all the other sectors except premium cable networks (H3). Also with only the exception of premium cable networks, SVOD services had fewer episodes per season than other television sectors (H4).

When it comes to release patterns, SVOD services released more original programs on a full-season basis than any other television sectors (H5). SVOD services also showed more dispersion in season premiere dates than other television sectors (H6).

In terms of TV content ratings, SVOD services released more original content with TV-MA rating than other television sectors with the exception of premium cable networks (H7).

The findings suggest that SVOD services made available more various types of original content, foreign language and foreign-produced programs in this study, than other television sectors (H8).

This study measured content quality on first-season original content using scores on TV reviews aggregators such as Metacritic and Rotten Tomatoes. SVOD services had higher scores on their original programs than broadcast networks and basic cable networks (H9). In terms of the number of reviews on original content, SVOD services got more reviews than basic cable networks and AVOD services, but fewer reviews than broadcast networks and premium cable networks (H10).

With regard to renewal decisions, SVOD services renewed more first-season original programs than other television sectors except premium cable networks (H11).

As summarized above, online television, SVOD services in particular, showed both similar and different original content programming practices, influenced by revenue models and modes of distribution.

Built upon subscription revenue models, there were some similarities between SVOD services and premium cable networks in some aspects of programming practices. For example, variations and length in episode running time were found to be similar. Also similar were variations in the number of episodes per season. These findings indicate the impact of

subscription revenue models on programming practices, which showed relative flexibility in temporal aspects of programming due to no consideration for commercial breaks.

Other areas found to be similar in programming practices were original content quality and renewal decisions. Both showed a higher degree of critical acclaim—higher review scores on original content—than advertising-supported television sectors. They renewed more original programs after the first season than advertising-supported television sectors. The renewal ratios on both SVOD services and premium cable networks were similarly higher than advertising-supported television sectors as well. In subscription revenue models, service providers tend to care about content quality to influence subscribers' perceived value of services as critically-acclaimed original content can help to generate good publicity for the service (DeFino, 2014; Ulin, 2014).

Accordingly, critical acclaim was associated with higher likelihood to renewals of first-season original shows, suggesting positive critical evaluations have more impact on renewal decisions in SVOD content, as compared to advertising supported content, where audience size is the main consideration (Sepinwall, 2013).

SVOD services use their proprietary data on subscribers' viewing patterns and preferences in the selection of original content, enhancing possibilities of renewals (Smith & Telang, 2016). This is reflected in renewal decisions on the first season shows. Leading SVOD services such as Netflix and Amazon showed higher ratio of renewals than HBO and Showtime, leading premium cable networks as shown in Table 25. AVOD services such as Hulu and Sony Crackle showed a similar level of renewals to broadcast and basic cable networks. When compared between television sectors, premium cable networks sector showed a higher ratio of renewals than SVOD services sector due to the inclusion of less established SVOD services such

as Seeso, which are now defunct, and YouTube Red. Among SVOD services, Netflix in particular seemed to have effective data-driven programming decisions as indicated by its high ratio of program renewals in the data of this study.

Meanwhile, there were distinct differences between SVOD services and premium cable networks in such areas as release patterns and types of programs, which appear to result from the adoption of different modes of distribution and exhibition of original programs.

The most significant difference was the way original programs were released. Whereas SVOD services predominantly relied upon the full-season release of original programs to accommodate binge-watching, premium cable networks maintained the conventional weekly release as they adopted the linear mode of distribution and developed their programming practices based upon it.

In line with these releasing practices, SVOD services premiered original content throughout a year, while premium cable networks concentrated premiere episodes on specific months such as January, April, June, and October. SVOD services also showed a tendency to premiere on Friday, helping subscribers to binge-watch original series during the weekends. Although some shows were released on Friday, premium cable networks chose Sunday for premiering a majority of their original programs as indicated in the data.

The types of original programs also were different in that SVOD services provided more foreign-language and foreign-produced original programs than premium cable networks. SVOD services had relatively more balanced composition of TV-MA, TV-14, and TV-PG programs than premium cable networks, which provided an absolute majority of original programs rated as TV-MA. In search of a broader subscriber base, SVOD services provided a wider range of

original programs using the Internet as a distribution platform, which enabled them to reach potential customers with no need to be included in MVPDs' pay-television service bundles.

As the comparison between SVOD services and premium cable networks demonstrated, subscription revenue models allowed more flexible programming practices with no recourse to advertising and called attention to original content quality for service differentiation. In this respect, they took up a similar position in the television industry. With all the similarities, SVOD services differentiated themselves from premium cable networks by breaking away from the conventional linear distribution.

Built upon a common ground of the on-demand mode of distribution, AVOD services had a higher ratio of the full-season release than linear television networks, only trailing SVOD services. However, in such programming areas as episode running time, premiering patterns, content ratings, content quality, and renewal decisions, programming practices adopted by AVOD services were similar to those by advertising-supported linear television networks, especially basic cable networks. The findings suggest a middle-of-the-road positioning of AVOD services between SVOD services and advertising-supported linear television in their programming practices, following the adoption of an advertising revenue model and on-demand mode of distribution via the Internet.

Discussion

The findings in this study indicate differences in programming strategies and practices among the five television sectors, depending on revenue models and modes of distribution.

From a perspective of television programming history, the findings suggest both continuous and new aspects of programming practices. In terms of revenue models, AVOD services' programming practices showed some similarities to those of broadcast networks and

basic cable networks, which adopted a similar advertising-supported model. In a similar way, SVOD services had something in common with premium cable networks.

Distribution technologies in television has progressed from terrestrial broadcasting to cable and satellite distribution to Internet distribution and from the linear mode to the on-demand mode, inducing new programming possibilities (Lotz, 2014; Parsons, 2008; Sterling & Kittross, 2002). The findings suggest a similar pattern of the evolution in programming, providing viewers with more choice, convenience, and control over their consumption of content. Programming practices in online television, especially SVOD services, showed a similar historical pattern of expanding programming possibilities, following footsteps of multichannel television, which established itself in competition with broadcast television. However, it took a relatively short period of time for leading SVOD services such as Netflix and Amazon to reach the current level of original content offerings in terms of quantity and quality, which is on par with premium cable networks. For example, it took more than two decades after its 1972 launch before HBO released well-received original series such as *The Sopranos* and *Sex and the City* in the late 1990s although it started releasing original series in the 1980s. In contrast, Netflix released its first original series *House of Cards* and critically acclaimed *Orange is the New Black* in 2013. Since then, Netflix came to provide more original programs than any other television network, including broadcast networks in the recent year as indicated in Table 6.

Online television, SVOD services in particular, adopted a different approach to scheduling strategies and practices. In terms of episode running times, SVOD services showed more episode-to-episode variations due to the non-linear and on-demand mode of distribution, coupled with the reliance upon the advertising-free, subscription model. The convention of the television season is practically non-existent in SVOD services as original programs are

premiered almost all year round. Related to this, as an alternative to the conventional weekly release in linear television, the full-season episodes release became a dominant practice in SVOD services, inducing the year-round premiering of original content.

The inheritance effect approach has been the cornerstone in linear scheduling strategies (McDowell & Dick, 2003; Webster & Phalen, 1997). However, it can be less relevant in the different context of the non-linear and on-demand mode of distribution. There is only one scheduling possibility on a given channel, with the same flow of programs presented to all the viewers in the same market area. In contrast, viewers in online television are provided with a personalized service home page, containing lists of recommended programs, when logging in the service. In this model, viewers can make their own viewing list, supported by recommendation, and have more control over their consumption of content regarding what/when/how to watch. In line with this, the role of programmers in online television is different from that in linear television, more of a curator rather than a scheduler in control of the linear flow of programs.

Dimmick (2003) argued that new media such as cable television and the Internet tend to provide more gratification opportunities for users than old media. The findings in this study indicate that online television can be considered as a recent case of the concept of gratification opportunities. This evolution of television programming, from linear scheduling to non-linear presentation of television programs, suggests another example of increased gratification opportunities. Adopting a different approach to scheduling strategies and practices, online television as a new entrant to the television industry differentiates itself from incumbent linear television by giving viewers more flexibility and controllability in their consumption of content.

The program choice model (Beebe, 1977; Owen & Wildman, 1992; Steiner, 1952; van der Wurff & van Cuilenburg, 2001) predicts differences in the types of programs available under

the conditions of market structures, coupled with revenue sources and distribution technology. Extending the model, the findings in this study suggest the influence of the economic and technological factors on programming strategies and practices. The current television industry works in a competitive market, composed of broadcast networks, cable networks, and online television services, adopting various combinations of revenue models and modes of distribution. Over the decades, the US television market evolved from an oligopolistic market composed of three broadcast networks to a more competitive market of hundreds of channels and various online options, enabled by advancements in distribution technology such as cable, satellite, and the Internet. Under the competitive market conditions, subscription television, premium cable networks and SVOD services, adopted different programming practices in terms of scheduling patterns, TV content ratings, content quality and variety, and renewal patterns, tailored to the subscription revenue model. As new entrants, SVOD services pursued differentiation in their programming strategies and practices, adopting a different approach to scheduling and content selection.

The results in this study indicate some similarities between SVOD services and premium cable networks in their approaches to selecting strategies and practices. Driven by the subscription revenue model, they are strategically motivated to provide differentiated original content such as well-received original programs and TV-MA-rated programs for the acquisition and retention of subscribers. In a similar way, the renewal ratio of original programs after the first season in the two was relatively high. These findings indicate SVOD services' competitive positioning and original content strategy, as shown in remarks by Ted Sarandos, chief content officer at Netflix, "The goal is to become HBO faster than HBO can become us" (Hass, 2013).

What differentiates SVOD services from premium cable networks was the portion of foreign language and foreign-produced original programs, which have been rarely found on the U.S. commercial television channels in contrast to the popularity of the U.S. television content in the foreign markets. Leading SVOD services such as Netflix and Amazon expanded internationally except a few countries such as China, North Korea, and Syria. This global expansion drove the need for foreign language and foreign-produced original content to attract local subscribers in consideration of cultural factors in some regions such as Europe, East Asia, and Latin America. Those foreign original programs are available to the U.S. subscribers as well, adding more variety to content offerings. As global television services, SVOD services adopted a differentiated approach to sourcing of original content, providing a variety of content for subscribers.

As shown in the previous chapters, the rise of online television contributed the recent increase in original programs in the television industry. Online television sectors, AVOD and SVOD services, followed the footsteps of cable networks' original programming strategies such as HBO, Showtime, FX, and AMC, increasing the number of original scripted series available on their services. For example, HBO established itself as a premium cable network with critically acclaimed original series such as *The Sopranos*, *Deadwood*, and *The Wire* (DeFino, 2014; Edgerton & Jones, 2008). AMC also successfully repositioned itself from an obscure movie channel to a distinguished original content due to the critical and/or ratings success of original shows such as *Mad Men*, *Breaking Bad*, and *The Walking Dead* (Sepinwall & Seitz, 2016).

This trend of increased competition for original content benefited content creators, both veterans and new comers, in terms of expanded outlets for releasing their content with more room for creative freedom. Due to competition, veteran creators and producers with successful

track records of original content can get better deals. For example, Shonda Rhimes, creator of hit ABC drama series like Grey's Anatomy and Scandal, agreed to develop new original series for Netflix (Koblin, 2017d). Ryan Murphy, who created *Glee* for Fox, *Nip/Tuck*, *American Horror Story*, and *American Crime Story* for FX, followed suit, contracting with Netflix (Koblin, 2018). Newcomers also benefited from increased outlets for original content, online television in particular. The case of *Stranger Things*, created by the Duffer Brothers, exemplifies online television service providers' attempt to attract new comers with differentiated content. After rounds of rejection from linear television networks, Netflix picked up *Stranger Things* and the show became a hit when released in 2016 (Cohen, 2016; Grow, 2016).

Programming practices adopted by SVOD services can influence creative processes and works. With the flexible episode-to-episode running time, creators such as writers and directors of original programs can allow increased creative freedom in their works, adjusting the length of episodes to aesthetic or narrative needs instead of observing the prescribed length of time. The adoption of full-season release of original programs, which facilitated binge-watching of multiple episodes at a time, helped original content creators and writers to experiment with narrative conventions and aesthetics. TV critics point out heavy serialization in SVOD services' original content in contrast with episodic characteristics in advertising-supported linear television's original content such as ending with cliffhangers to lure viewers to tune in next week and multiple-act structure of episodes for commercial breaks often (Poniewozik, 2015; Sims, 2016).

The growth of original content in online television in terms of quantity and quality posed a severe threat to linear television networks. For example, Netflix, leading SVOD service, is planning to spend around $8 billion on content in 2018, outspending its rivals such as HBO, FX,

and CBS, with more than 100 million paid subscribers worldwide as of October 2017 (Koblin, 2017c). It is reported that Netflix spent 25% of its programming budget on original content, outspending its rivals such as HBO, FX, and CBS.

SVOD services grew to be serious competitors to incumbent networks, triggering "cord-cutting," cancellation of pay-television subscription in favor of online television services (Baumgartner, 2017; Fung, 2017). Meanwhile, potential entrants from the IT industry such as Apple, Facebook, and Google are poised to invest on original content as much as one billion dollars in 2018, recently materialized by Apple's contract with Spielberg for its original content (Koblin, 2017a, 2017b). It remains to be seen that these potential entrants will adopt programming strategies and practices developed by current SVOD services or develop new ones on their own. Either way, with the addition of these potential entrants, the universe of online television will be expanded.

In response to these challenges, the traditional media industry, networks and studios, adopted various approaches to a shifting television landscape. Networks launched or plan to launch stand-alone SVOD services, unbundled from MVPDs' pay-television service. CBS and HBO already launched CBS All Access in 2014 and HBO Now in 2015 respectively. Furthermore, CBS recently released *Star Trek: Discovery*, serialized original content exclusive to CBS All Access, embracing SVODs' original programming practices (Itzkoff, 2017). Disney also announced the launching of its own SVOD services, keeping up with the industry trend of stand-alone online distribution bypassing MVPDs (Barnes, 2017). It was reported that the strategy behind Disney's attempt to acquire 21st Century Fox's media assets, which include film and television studios and cable networks, can be the expansion of content libraries and

production capabilities to compete with leading SVOD services like Netflix and Amazon (James, 2017; Koblin, 2017e).

The growth of online television put severe pressure on incumbent MVPDs, leading to a reduction in their subscriber base (Baumgartner, 2017; Fung, 2017). As an attempt to ameliorate the shrinking subscriber base, some incumbent MVPDs launched Internet-based "skinny bundle" pay-television services such as Dish Network's Sling TV and AT&T's DirecTV Now, which are composed of smaller number of linear TV channels at lower costs than conventional pay-television service package, delivered on the Internet. Other MVPDs also followed suit, launching or testing their own offerings such as Comcast's Xfinity Instant TV, Charter's Spectrum Stream, and CenturyLink's CenturyLink Stream (Spangler, 2017). Similar services from non-MVPDs include Google's YouTube TV, Sony's PlayStation Vue, and Hulu's Hulu with Live TV.

As these services bundle mostly local broadcast channels and a small number of popular cable channels, excluding obscure channels, competition for the inclusion in those bundles intensified. Cable networks with differentiated, well-received, and well-recognized original content would be more likely to be included in those bundles. Skinny bundles as well as a growing number of original content released by online television made an impact on cable networks' original content strategy.

In response, some cable networks changed their approach to original content. For example, TNT, a basic cable network, shifted its focus on serialized original series such as *Animal Kingdom* over conventional, procedural original series like *Major Crimes* that was cancelled after running six seasons (Lynch, 2017; Stanhope, 2017). In an attempt to find a competitive niche between conventional advertising-supported networks with ad-free

subscription television, TNT also experimented with fewer ads and increased episode running time (VanDerWerff, 2016).

With increasing competitive pressure, some cable networks, which were not associated with original scripted content, started providing original content. For example, Discovery Channel and National Geographic, basic cable networks focusing on docuseries and realty shows, embarked on scripted original content such as *Harley and the Davidsons* and *Genius* respectively (de Moraes, 2016; Littleton, 2017). However, some networks withdrew from an original content strategy after a few attempts. For example, WGN America abandoned its premium original content strategy, cancelling its two critically acclaimed original drama series, *Underground* and *Outsiders* due to costs and the acquisition of its parent company Tribune Media by Sinclair Broadcast Group (Goldberg, 2017).

In sum, online television, especially SVOD services, developed differentiated original content programming strategies and practices built upon the advertising-free subscription revenue model and the on-demand mode of distribution and exhibition. As discussed above, programming strategies and practices influence the way viewers consume original content in the downstream, creative processes and works in the upstream, and competitive environments. Original content in online television put competitive pressure on conventional linear television sectors, leading to an industrywide increase in original content offerings. This situation potentially benefits content creators, providing creative freedom for narratives and aesthetics and expanded outlets for content distribution. In reaction to the growth of online television and changing consumers' preferences, incumbent linear networks began to launch their own SVOD services, whereas MVPDs launched Internet-based "skinny-bundle" pay-television services to address the problem of "cord-cutting." The growth of online television, led by Netflix, Amazon,

and Hulu, seems to reshape the industry landscape as indicated by Disney's proposed acquisition of 21st Century Fox's media assets.

Limitations and Future Research

In this study, the five television sectors showed distinctive patterns in programming strategies and practices, indicating the influence of revenue models and modes of distribution. The comparison of programming strategies and practices between the television sectors shed light on the emerging patterns and distinctive features developed by online television. In the context of the proliferation of original content, triggered by the rise of online television and increased competition, this empirical study contributes to programming literature by linking the economic motivations and technological characteristics to programming possibilities of original content.

As with other studies, this study has its own limitations. Depending on a definition of original programs, the boundary of original programs can be varied. As this study focused on prime-time scripted original drama and comedy series, other forms of original programs such as docuseries, made-for-television films, reality shows, and stand-up comedy were not covered. The inclusion of other forms of original content will elucidate a comprehensive picture of programming strategies and practices developed and implemented by the television industry. Particularly, the composition of various types of original programs in online television, combined with syndicated programs, can be widely different from that of linear television, requiring further examination.

Due to the recent rise of online television, the number of original programs in online television included in this study was relatively small in comparison to that in incumbent linear networks, although the number of original programs has been increased dramatically.

Considering an early stage of online television, new and distinct patterns in programming strategies and practices can be found in future research as more original programs can be available by the existing online programmers and new entrants.

Related to the topic of this study, there exist some topic areas for further research. One possible research area can be found in the examination of aesthetical trends such as themes, narrative format and structure, characterization, and visual style in the production of original programs, enabled by on-demand mode of distribution and exhibition. For example, a certain narrative format such as serialized drama series, which facilitates binge-watching, can be favored over procedural or episodic drama series, often found on broadcast networks.

Another could be studies of strategic responses and adaptations of the incumbent media industry, such as television and film studios, television networks, and MVPDs to challenges and threats posed by online television. New trends in the consumption of original programs and different viewing patterns from conventional viewing need further investigation in relation to the ascendance of online television.

In conclusion, this study examined the distinctive features of original content programming strategies and practices in online television in comparison with traditional linear television, shaped by revenue models and modes of distribution. The findings in this study provide some contextual understandings of “the platinum age of television,” coined by TV critic and historian, David Bianculli (2016), illustrating economic and technological basis of the recent proliferation of original programs. While contributing to the literature on media programming strategies and practices, this study also provides a basis for further research on online television in such areas as production, distribution, and consumption of original content.

Scholars in critical media industry studies and television studies paid attention to the rise of online television in recent years and new trends it brought with such as cord-cutting and binge-watching (Lotz, 2014; Strangelove, 2015). News media covering entertainment and media industries are replete with articles reporting development and release of new original series in online television. However, comprehensive and systemic studies that are based upon quantitative data seem to be rare. Existing scholarship has relied more on conceptual discussion and description of new trends, analyzing emerging patterns in original content programming in television. This study attempted to fill the gap in the lack of comprehensive, quantitative data-driven study of original content strategy and programming practices, providing a ground for further research on this topic.

Table 1: Television Sectors by Modes of Distribution and Revenue Models

	Modes of Distribution	
Revenue Models	Linear	On-demand
Advertising	Broadcast Networks Basic Cable Networks*	AVOD Services
Subscription	Premium Cable Networks	SVOD Services

Note. *Basic cable networks have a hybrid model of advertising and carriage fees from MVPDs

Table 2: Scope of Original Content

Original Content	• Prime-time Original Scripted Drama and Comedy Series
Not Considered as Original Content	• News, News Magazines, Documentaries • News Comedy, Sketchy Comedy, Stand-Up Comedy • Talk Shows, Variety Shows • Game Shows, Talent/Competition Shows, Reality Shows • Sports • Children's Programs • Daytime Soap Opera • Quarter-Hour/Short-Form Scripted Series (15 minutes and less) • Made-for-Television Movies • Syndicated Scripted Drama and Comedy Series • Specials

Table 3: Networks with Original Content

TV Sectors	Networks
Broadcast Network	ABC, CBS, Fox, NBC, The CW
Basic Cable Network	A&E, Adult Swim, AMC, BBC America, BET, Bravo, BYUtv, Centric, Chiller, CMT, Comedy Central, Discovery Channel, E!, El Rey Network, Freeform, FX, FXX, Hallmark Channel, History, IFC, Lifetime, MTV, National Geographic, Nick at Nite, OWN, Paramount TV, SundanceTV, Syfy, TBS, TLC, TNT, truTV, TV Land, USA Network, VH1, WE tv, WGN America
Premium Cable Network	HBO, Cinemax, Showtime, Starz, Epix, Audience*
AVOD Service	Hulu**, CBS All Access**, Sony Crackle, Yahoo! Screen
SVOD Service	Netflix, Amazon Prime Video, SeeSo, YouTube Red

*Audience is a commercial-free channel exclusive to DirecTV and AT&T U-Verse subscribers
**Hulu and CBS All Access have a hybrid model of advertising and subscription

Table 4: Number of TV Programs by Season

TV	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total	CAGR*
Broadcast Network	92	88	103	108	115	119	625	4.4%
Basic Cable Network	79	92	108	121	135	131	666	8.8%
Premium Cable Network	29	26	30	35	37	37	194	4.1%
AVOD Service	2	1	8	11	11	14	47	38.3%
SVOD Service		2	5	15	33	68	123	102.4%
Total	202	209	254	290	331	369	1,655	10.6%

*CAGR: Compound Annual Growth Rate

Table 5: Number of TV Networks with Original Content by TV Season

TV	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Average
Broadcast Network	5	5	5	5	5	5	5
Basic Cable Network	17	21	28	30	32	30	26
Premium Cable Network	4	5	5	5	5	6	5
AVOD Service	2	1	2	3	2	3	2
SVOD Service		1	2	2	5	4	3
Total	28	33	42	45	49	48	41

Table 6: Top 20 Networks by Number of Original Content in 2016-17 Season

Rank	Networks	Number of Original Content	TV Sectors
1	Netflix	43	SVOD Service
2	CBS	30	Broadcast Network
3	ABC	27	Broadcast Network
4	Fox	25	Broadcast Network
5	NBC	21	Broadcast Network
6	The CW	16	Broadcast Network
7	Amazon	14	SVOD Service
	HBO	14	Premium Cable Network
9	Freeform	11	Basic Cable Network
	FX	11	Basic Cable Network
11	Hulu	10	AVOD Service
12	AMC	9	Basic Cable Network
	Syfy	9	Basic Cable Network
14	Showtime	8	Premium Cable Network
	USA Network	8	Basic Cable Network
16	Comedy Central	7	Basic Cable Network
	OWN	7	Basic Cable Network
	Starz	7	Premium Cable Network
	TBS	7	Basic Cable Network
	TNT	7	Basic Cable Network

Table 7: Number of Original Content by Category

TV Sectors	Half-hour	One-hour	Miniseries	Total
Broadcast Network	220	395	10	625
(% within TV sector)	(35.2%)	(63.2%)	(1.6%)	(100%)
Basic Cable Network	249	385	32	666
(% within TV sector)	(37.4%)	(57.8%)	(4.8%)	(100%)
Premium Cable Network	88	101	5	194
(% within TV sector)	(45.4%)	(52.1%)	(2.6%)	(100%)
AVOD Service	35	11	1	47
(% within TV sector)	(74.5%)	(23.4%)	(2.1%)	(100%)
SVOD Service	61	59	3	123
(% within TV sector)	(49.6%)	(48.0%)	(2.4%)	(100%)
Total	653	951	51	1,655
(% within TV sector)	(39.5%)	(57.5%)	(3.1%)	(100%)

Table 8: Number of Original Content by Distribution and Revenue Model

	Distribution		
Revenue Models	Linear	On-demand	Total
Advertising	1,291	47	1,338
Subscription	194	123	317
Total	1,485	170	1,655

Table 9: Episode Running Time and Variations

Variables	Broadcast Network	Basic Cable Network	Premium Cable Network	AVOD Service	SVOD Service	Total
			Half-hour			
Running Time	20.96	21.26	28.11	22.92	26.60	22.66
Variation	.33	.64	1.57	.70	1.67	.76
# of Programs	218	231	81	35	61	626
			One-hour			
Running Time	42.23	43.56	54.78	46.16	52.40	44.77
Variation	.72	1.96	3.86	2.54	4.55	1.81
# of Programs	395	379	100	10	59	943
			Miniseries			
Running Time	42.65	60.76	59.95	53.88	46.11	56.13
Variation	.60	2.01	6.24	11.59	3.97	2.45
# of Programs	10	32	5	1	3	51

Note. *N* = 1620

Table 10: Episode Running Time and Variations by Revenue Models

Variables	Revenue Models		Total
	Advertising	Subscription	
	Half-hour		
Running Time	21.25	27.46	22.66
Variation	.50	1.61	.75
# of Programs	484	142	626
	One-hour		
Running Time	42.92	53.90	44.77
Variation	1.34	4.11	1.81
# of Programs	784	159	943
	Miniseries		
Running Time	56.39	54.76	56.13
Variation	1.90	5.39	2.45
# of Programs	43	8	51

Note. *N* = 1620

Table 11: Episode Running Time and Variations by Distribution

	Distribution		
Variables	Linear	On-demand	Total
	Half-hour		
Running Time	22.19	25.26	22.66
Variation	.65	1.32	.75
# of Programs	530	96	626
	One-hour		
Running Time	44.24	51.50	44.77
Variation	1.62	4.26	1.81
# of Programs	874	69	943
	Miniseries		
Running Time	56.82	48.05	56.13
Variation	2.16	5.88	2.45
# of Programs	47	4	51

Note. *N* = 1620

Table 12: Length of Program Season

Variables	Broadcast Network	Basic Cable Network	Premium Cable Network	AVOD Service	SVOD Service	Total
Number of Episodes per Season	17.32	12.55	10.01	10.53	10.37	13.83
Variations in Number of Episodes	5.92	6.68	2.08	3.87	2.42	6.38
Days between Premiere and Finale Episode	161.51	101.01	67.19	38.77	7.49	111.11
Weeks between Premiere and Finale Episode	23.07	14.43	9.60	5.53	1.07	15.88
Number of Programs	625	666	194	47	123	1,655

Table 13: Difference between the First season and the Later Seasons in Episode Number

Variables	Broadcast Network	Basic Cable Network	Premium Cable Network	AVOD Service	SVOD Service	Total
Average Number of Episodes in the First Season (A)	14.04	11.13	9.39	9.81	10.26	11.94
Average Number of Episodes in the Later Seasons (B)	19.83	14.03	10.43	11.68	10.72	15.54
Difference (B-A)	5.79	2.90	1.04	1.87	0.46	3.60
Number of Programs	615	634	189	46	120	1,604

Table 14: Release Patterns

Release Patterns	Broadcast Network	Basic Cable Network	Premium Cable Network	AVOD Service	SVOD Service	Total
Weekly	623	639	189	24	10	1,484
(% within TV sector)	(99.7%)	(95.9%)	(97.4%)	(51.1%)	(8.1%)	(89.7%)
Full Season		2		22	112	136
(% within TV sector)		(0.3%)		(46.8%)	(91.1%)	(8.2%)
Weekly & Full Season		2	4			6
(% within TV sector)		(0.3%)	(2.1%)			(0.4%)
Daily	2	21	1	1	1	26
(% within TV sector)	(0.3%)	(3.2%)	(0.5%)	(2.1%)	(0.8%)	(1.6%)
Marathon		2				2
(% within TV sector)		(0.3%)				(0.1%)
Total	625	666	194	47	123	1,655
(% within TV sector)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)

Table 15: Release of Premiere Episodes by Month

TV*	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
BN	50	34	43	16	16	24	5	6	292	119	15	5	625
	(8.0%)	(5.4%)	(6.9%)	(2.6%)	(2.6%)	(3.8%)	(0.8%)	(1.0%)	(46.7%)	(19.0%)	(2.4%)	(0.8%)	(100%)
BC	95	36	65	50	27	149	59	29	59	50	30	17	666
	(14.3%)	(5.4%)	(9.8%)	(7.5%)	(4.1%)	(22.4%)	(8.9%)	(4.4%)	(8.9%)	(7.5%)	(4.5%)	(2.6%)	(100%)
PC	33	10	8	37	5	20	17	8	15	29	10	2	194
	(17.0%)	(5.2%)	(4.1%)	(19.1%)	(2.6%)	(10.3%)	(8.8%)	(4.1%)	(7.7%)	(14.9%)	(5.2%)	(1.0%)	(100%)
AV	2	3	5	8	0	2	5	8	3	6	3	2	47
	(4.3%)	(6.4%)	(10.6%)	(17.0%)	(0.0%)	(4.3%)	(10.6%)	(17.0%)	(6.4%)	(12.8%)	(6.4%)	(4.3%)	(100%)
SV	8	8	21	9	8	7	10	7	12	10	11	12	123
	(6.4%)	(6.5%)	(17.1%)	(7.3%)	(6.5%)	(5.7%)	(8.1%)	(5.7%)	(9.8%)	(8.1%)	(8.9%)	(9.8%)	(100%)
Total	188	91	142	120	56	202	96	58	381	214	69	38	1,655
	(11.4%)	(5.5%)	(8.6%)	(7.3%)	(3.4%)	(12.2%)	(5.8%)	(3.5%)	(23.0%)	(12.9%)	(4.2%)	(2.3%)	(100%)

Note. *BN: Broadcast Network; BS: Basic Cable Network; PC: Premium Cable Network; AV: AVOD Service; SV: SVOD Service

Table 16: Release of Finale Episodes by Month

TV*	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
BN	32	30	49	58	340	25	20	13	29	7	6	16	625
	(5.1%)	(4.8%)	(7.8%)	(9.3%)	(54.4%)	(4.0%)	(3.2%)	(2.1%)	(4.6%)	(1.1%)	(1.0%)	(2.6%)	(100%)
BC	30	26	69	74	53	59	24	91	77	43	36	84	666
	(4.5%)	(3.9%)	(10.4%)	(11.1%)	(8.0%)	(8.9%)	(3.6%)	(13.7%)	(11.6%)	(6.5%)	(5.4%)	(12.6%)	(100%)
PC	3	2	19	23	14	34	5	15	23	10	11	35	194
	(1.5%)	(1.0%)	(9.8%)	(11.9%)	(7.2%)	(17.5%)	(2.6%)	(7.7%)	(11.9%)	(5.2%)	(5.7%)	(18.0%)	(100%)
AV	1	1	4	10	2	2	6	2	7	4	3	5	47
	(2.1%)	(2.1%)	(8.5%)	(21.3%)	(4.3%)	(4.3%)	(12.8%)	(4.3%)	(14.9%)	(8.5%)	(6.4%)	(10.6%)	(100%)
SV	9	9	19	12	6	7	11	6	12	12	9	11	125
	(7.3%)	(7.3%)	(15.4%)	(9.8%)	(4.9%)	(5.7%)	(8.9%)	(4.9%)	(9.8%)	(9.8%)	(7.3%)	(8.9%)	(100%)
Total	75	68	160	177	415	127	66	127	148	76	65	151	1,655
	(4.5%)	(4.1%)	(9.7%)	(10.7%)	(25.1%)	(7.7%)	(4.0%)	(7.7%)	(8.9%)	(4.6%)	(3.9%)	(9.1%)	(100%)

Note. *BN: Broadcast Network; BS: Basic Cable Network; PC: Premium Cable Network; AV: AVOD Service; SV: SVOD Service

Table 17: Premiere Day of Week

TV	Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.	Total
Broadcast Network	96	102	115	115	139	57	1	625
(% within TV sector)	(15.4%)	(16.3%)	(18.4%)	(18.4%)	(22.2%)	(9.1%)	(0.2%)	(100%)
Basic Cable Network	109	118	138	148	89	40	24	666
(% within TV sector)	(16.4%)	(17.7%)	(20.7%)	(22.2%)	(13.4%)	(6.0%)	(3.6%)	(100%)
Premium Cable Network	132	6	7	13	1	22	13	194
(% within TV sector)	(68.0%)	(3.1%)	(3.6%)	(6.7%)	(0.5%)	(11.3%)	(6.7%)	(100%)
AVOD Service	1	7	15	14	9	1	0	47
(% within TV sector)	(2.1%)	(14.9%)	(31.9%)	(29.8%)	(19.1%)	(2.1%)	(0.0%)	(100%)
SVOD Service	1	2	2	7	13	97	1	123
(% within TV sector)	(0.8%)	(1.6%)	(1.6%)	(5.7%)	(10.6%)	(78.9)	(0.8%)	(100%)
Total	339	235	277	297	251	217	39	1,655
(% within TV sector)	(20.5%)	(14.2%)	(16.7%)	(17.9%)	(15.2%)	(13.1%)	(2.4%)	(100%)

Table 18: Finale Day of Week

TV	Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.	Total
Broadcast Network	94	97	119	104	124	68	19	625
(% within TV sector)	(15.0%)	(15.5%)	(19.0%)	(16.6%)	(19.8%)	(10.9%)	(3.0%)	(100%)
Basic Cable Network	98	114	140	156	87	46	25	666
(% within TV sector)	(14.7%)	(17.1%)	(21.0%)	(23.4%)	(13.1%)	(6.9%)	(3.8%)	(100%)
Premium Cable Network	132	6	7	13	1	22	13	194
(% within TV sector)	(68.0%)	(3.1%)	(3.6%)	(6.7%)	(0.5%)	(11.3%)	(6.7%)	(100%)
AVOD Service	1	6	16	14	9	1	0	47
(% within TV sector)	(2.1%)	(12.8%)	(34.0%)	(29.8%)	(19.1%)	(2.1%)	(0.0%)	(100%)
SVOD Service	1	1	1	8	14	97	1	123
(% within TV sector)	(0.8%)	(0.8%)	(0.8%)	(6.5%)	(11.4%)	(78.9%)	(0.8%)	(100%)
Total	326	224	283	295	235	234	58	1,655
(% within TV sector)	(19.7%)	(13.5%)	(17.1%)	(17.8%)	(14.2%)	(14.1%)	(3.5%)	(100%)

Table 19: Television Content Ratings

Ratings	Broadcast Network	Basic Cable Network	Premium Cable Network	AVOD Service	SVOD Service	Total
TV-MA		151	189	16	88	444
(% within TV sector)		(22.7%)	(97.4%)	(34.0%)	(71.5%)	(26.8%)
TV-14	442	390	5	18	17	872
(% within TV sector)	(70.7%)	(58.6%)	(2.6%)	(38.3%)	(13.8%)	(52.7%)
TV-PG	178	96			10	284
(% within TV sector)	(28.5%)	(14.4%)			(8.1%)	(17.2%)
TV-G	1	11			2	14
(% within TV sector)	(0.2%)	(1.7%)			(1.6%)	(0.8%)
TV-Y		1		1		2
(% within TV sector)		(0.2%)		(2.1%)		(0.1%)
N/A	4	17		12	6	39
(% within TV sector)	(0.6%)	(2.6%)		(25.5%)	(4.9%)	(2.4%)
Total	625	666	194	47	123	1,655
(% within TV sector)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)

Note. TV-MA: unsuitable for children under 17; TV-14: unsuitable for children under 14 years of age; TV-PG: unsuitable for younger children; TV-G: suitable for all ages; TV-Y: appropriate for all children; N/A: not rated or no rating data found.

Table 20: Foreign Language Programs

Program Language	Broadcast Network	Basic Cable Network	Premium Cable Network	AVOD Service	SVOD Service	Total
English	621	657	192	43	106	1,619
(% within TV sector)	(99.4%)	(98.6%)	(99.0%)	(91.5%)	(86.2%)	(97.8%)
Foreign Language	4	9	2	4	17	36
(% within TV sector)	(0.6%)	(1.4%)	(1.0%)	(8.5%)	(13.8%)	(2.2%)
Total	625	666	194	47	123	1,655
(% within TV sector)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)

Table 21: Foreign-produced Programs

Production Country	Broadcast Network	Basic Cable Network	Premium Cable Network	AVOD Service	SVOD Service	Total
US Production	614	617	168	45	96	1,540
(% within TV sector)	(98.2%)	(92.6%)	(86.6%)	(95.7%)	(78.0%)	(93.1%)
Foreign Production	11	49	26	2	27	115
(% within TV sector)	(1.8%)	(7.4%)	(13.4%)	(4.3%)	(22.0%)	(6.9%)
Total	625	666	194	46	123	1,655
(% within TV sector)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)

Table 22: Critical Evaluation and Attention

Critical Responses	Broadcast Network	Basic Cable Network	Premium Cable Network	AVOD Service	SVOD Service	Total
Metacritic	55.11	61.38	69.56	66.13	68.09	60.24 (*N* = 627)
Number of Reviews	24.54	14.42	24.38	9.54	14.68	18.98 (*N* = 703)
Rotten Tomatoes	55.87	63.11	71.17	68.48	67.86	61.39 (*N* = 617)
Number of Reviews	33.62	18.25	34.18	14.18	25.03	26.08 (*N* = 703)

Table 23: Television Awards

TV	2011	2012	2013	2014	2015	2016	Total
Broadcast Network	22	24	20	21	17	15	119
	(30.1%)	(29.3%)	(23.3%)	(23.6%)	(16.8%)	(16.3%)	(22.8%)
Basic Cable Network	21	34	32	23	39	27	176
	(28.8%)	(41.5%)	(37.2%)	(25.8%)	(38.6%)	(29.3%)	(33.7%)
Premium Cable Network	30	23	22	28	26	24	153
	(41.1%)	(28.0%)	(25.6%)	(31.5%)	(25.7%)	(26.1%)	(29.3%)
Online Television (AVOD)					1	2	3
					(1.0%)	(2.2%)	(0.6%)
Online Television (SVOD)		1	12	17	18	24	72
		(1.2%)	(14.0%)	(19.1%)	(17.8%)	(26.1)	(13.8%)
Total	73	82	86	89	101	92	523
	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)

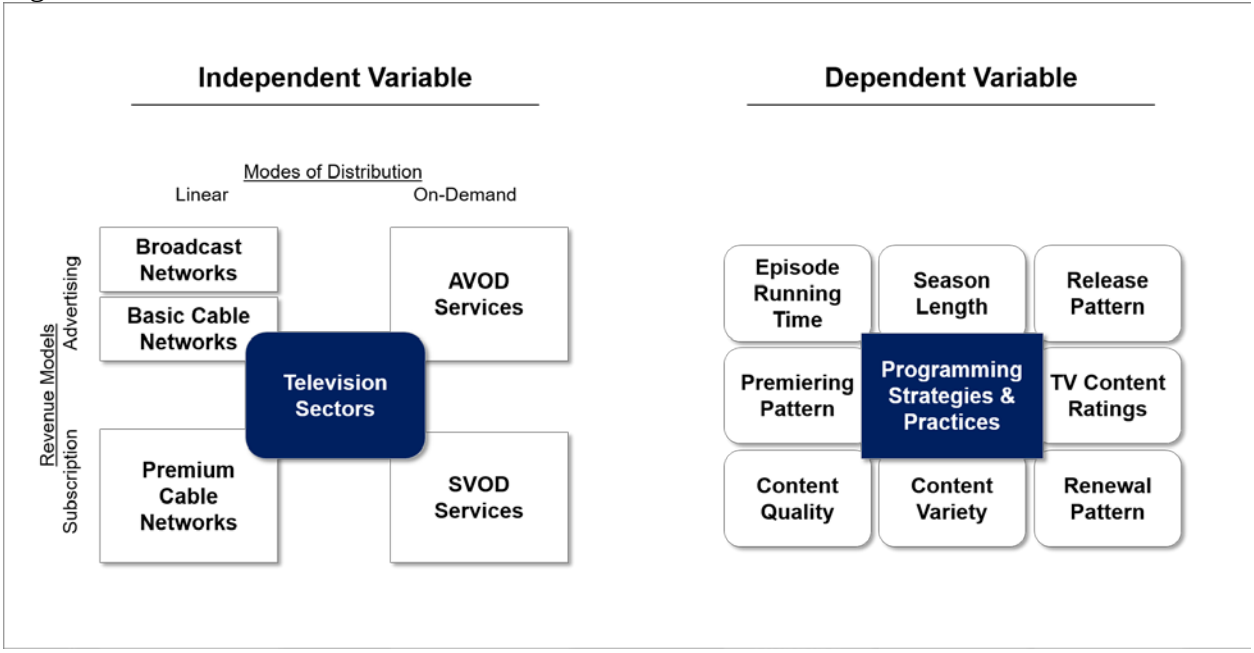
Table 24: First Season Renewal Patterns

Release Patterns	Broadcast Network	Basic Cable Network	Premium Cable Network	AVOD Service	SVOD Service	Total
Renewal	104	162	48	19	55	388
(% within TV sector)	(41.1%)	(68.4%)	(80.0%)	(70.4%)	(76.4%)	(59.8%)
Cancellation	149	75	11	7	16	258
(% within TV sector)	(58.9%)	(31.6%)	(18.3%)	(25.9%)	(22.2%)	(39.8%)
Undecided			1	1	1	3
(% within TV sector)			(1.7%)	(3.7%)	(1.4%)	(0.5%)
Total	253	237	60	27	72	649
(% within TV sector)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)

Table 25: First Season Renewal Patterns of Selected Networks

Release Patterns	HBO	Showtime	Netflix	Amazon	Hulu	Sony Crackle
Renewal	18	9	39	13	12	6
(% within network)	(78.3 %)	(75.0%)	(86.7%)	(81.2%)	(75.0%)	(75.0%)
Cancellation	5	3	6	3	3	2
(% within network)	(21.7 %)	(25.0%)	(13.3%)	(18.8%)	(18.8%)	(25.0%)
Undecided					1	
(% within network)					(6.2%)	
Total	23	12	45	16	16	8
(% within network)	(100%)	(100%)	(100%)	(100%)	(100%)	(100%)

Figure 1: Variables



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