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MC 3360 001

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Assignment #1: Observations

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I. Background

Video on demand services have changed the way people view television. No longer are people required to sit in front of a screen at a designated time to watch their favorite programs. Video on demand services, commonly referred by the acronym V.O.D., have given new meaning to the ways of television and film delivery. With several services at people's fingertips, a sense of immediacy has changed mass communication. Terms like "binge-watching" and "streaming" are starting to become more common.

The topic of video on demand is important to the television industry. Due to the popularity of services like Amazon Prime Instant Video, Hulu, Youtube, and Netflix, the need to pull in high ratings for a program is all the more important. The world of mass communication has changed due to the increased use of these services. Less people are tuning in to linear TV (where viewers have to tune in to a specific scheduled time to watch). New strategic marketing plans and public relations campaigns have to be constantly refined to see what viewers think of a certain TV program. The television industry is having to be retooled to cater more to consumers.

The research will focus on how video on demand services are affecting TV ratings. The research will be done in an effort to see what new trends and strategies are arising in television and film industry due to video on demand.

II. Research Problem Definition

With video on demand services in high use, the problem I want to focus on is how these services are affecting television and film ratings. They may be

changing them for better or for worse. A focus will be put on how these services are changing the viewing habits of everyday people. How TV broadcasters are responding to this growing trend.

III.   Research Problem Objectives

Several objectives are considered in this research. In terms of TV renewals, how are video on demand services affecting, for better or worse, television shows. Are the streaming services able to help shows in get renewals for more seasons? I want to see how people are responding to TV shows being released to video on demand services before premiering on traditional live viewing TV. What public relation and marketing plans are advertisers and TV executives planning in response to the decline in live TV ratings? I will also hope to see what TV networks are doing to keep up with the popularity of video on demand.

IV.   Research Questions

Due to the rise in use of video on demand services and how they affect TV and film ratings/viewership, these questions remain:

RQ1: Do TV networks and executives have specific marketing plans catered to V.O.D. platforms?

RQ2: What age group/demographic comprise the most of video on demand viewing?

RQ3: Is the Nielsen ratings system doing anything to monitor the digital viewing habits through V.O.D. services?

V.   Research Design

a. The research design to be used is exploratory research. The research will focus on gaining insight into video on demand viewership. Exploratory research will work because it focuses on getting ideas and insight from research. I want to see how video on demand services are being utilized.

b. The method of research used was qualitative research. Qualitative research was a good fit for the topic of video on demand and ratings. It allowed a lot of probing of my literature sources. This was good because I was looking for trends, rather than numbers, in video on demand services in relation to TV ratings.

c. The research technique I used to carry out the research was observation. I made several observations of different literature sources to find trends and reach a conclusion about my topic. With the nature of my topic, it would have been improbable to observe individual people's video on demand viewing habits. From the literature sources I gathered, I was able to see how people are consuming video on demand content and its effect on TV ratings.

d. The type of data collected was secondary data. Literature research was used to answer my research questions. Information and findings were gathered from several outside sources.

VI. Data Collection

a. The sample size in my research consisted of ten literature sources. I chose my sources from a variety of entertainment, movie, and industry insider websites. The sources gathered were appropriate for the nature of

my topic. They featured comments from TV network persons, National Association of Advertisers, Nielsen Ratings, included TV and film statistics and rating numbers.

b. I did my observation of the literature sources through online journals and websites dealing with the television and film industry. I accessed the resources over a time period of nine days. I obtained a few sources, analyzed them for trends and numbers, and then obtained additional sources to add on to the original findings.

c. I did not have an instrument for this research. I did not carry out observations and journal keepings due to my sources being literature and secondary data. From the literature sources I gathered, I did analyze and take notes on them.

VII.　Analysis and Results

At the start of the research, I noticed that there is still no industry standard method for observing the viewing numbers from video on demand services. TV networks so far have not been able to find a way to gather rating numbers from the several digital platforms available to consumers. I noticed that TV networks and analysts have given Nielsen Ratings, the industry leader for television ratings, criticism for not measuring ratings adequately.

Nielsen has several programs in the works to measure digital ratings. Beginning with the 2007-08 television season, they launched a new revised ratings system, C3 ratings. The C3 ratings were implemented

to measure live television viewings plus those viewed on Digital Video Recorders (DVRs) within three days after the original broadcast. Recently, in September 2013, Nielsen launched a Twitter TV Ratings system. The system gives TV networks a standard method to chart second-screen viewership. Initial studies showed that for roughly every tweet that went out about a TV show, about 50 people would see it, the Nielsen company mentioned. Beginning in the fall 2014 TV season, Nielsen will launch a system to track TV ratings from viewings on smartphones and tablets.

Despite the C3 Ratings and other developing systems, TV networks and advertisers still wanted more. The TV networks are still currently pushing for a C7 rating system. The C7 ratings would include seven days after the original broadcast instead of the C3's three days. Sources in the article stated that live viewing plus seven days accounts for 90% of all viewing.

TV network, CBS, began for the first time in September 2013 counting video on demand viewership. The ratings gathered will be included in the live TV ratings that they the company uses when selling to advertisers for commercial time.

I noticed that online-only video on demand providers like Netflix and Amazon are better adapting the rise in popularity of video on demand rather than traditional television networks. Amazon produced 14 TV pilots for potential TV series. Using consumer feedback and reviewing the length

of viewing times, Amazon will make 5 of the 14 pilots into series. They will air on their video on demand service, Prime Instant Video.

The results I gathered from the several literature sources retrieved was that video on demand services are affecting television ratings significantly and TV networks and Nielsen ratings do not know what to do about it. There is no one method, industry standard way that measures ratings from video on demand services. AMC's *Breaking Bad* creator Vince Gilligan credited video on demand service *Netflix* with saving his show. Despite the positive comments and benefits of video on demand services, there is still not an efficient way to measure video on demand services effects on TV ratings.

VIII.   Bibliography

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VIII.   Appendix

"CBS Juices Ratings with on-demand viewers"

TV network CBS is looking for ways to monitor the rising online viewership they have. In September 2013 they will start counting viewership numbers from programs that are on their website. The ratings will grouped in with the live TV ratings that they use to negotiate commercial time with advertisers. CBS is one of the first TV networks to finally create a system for monitoring video on demand ratings.

"Nielsen's Twitter TV Ratings Service to Launch September 30"

One of the several programs Nielsen is implementing to monitor second-screen viewership dealing with delayed viewing. Early studies show that for every tweet send out about a show, about 50 people tune in. Marketing plans are starting to surround this data.

"C3 TV Ratings Show Impact of DVR AD Viewing"

Nielsen is currently working on including all digital TV viewing in ratings. No system is currently in place.

"Audit Finds Nielsen's C3 Ratings Hurt Advertisers"

TV networks and advertisers are working to create marketing plans to plan how commercial breaks are run. They want to minimize the commercial skipping that is done by viewers with DVR's.

"Video on demand reaches 60% of TV homes, Nielsen finds"

Video on demand services are in 60% of American TV households in 2013. This is up from 37% in 2008.