Chapter 1

The Television Production Industry

Professional Terms

ad affiliate broadcast closed circuit television (CCTV) commercial broadcast television corporate television educational television home video industrial television large-scale video production company local origination network small-scale video production companies spot subscriber television surveillance television syndication

Objectives

After completing this chapter, you will be able to:

- Identify the various areas within the television production industry and recall the unique characteristics of each.
- Explain the roles of networks and affiliates in the process of scheduling programming.
- Summarize how the cost of an ad is determined.

Introduction

There are many different types of television production companies and more are forming all the time. Because the future of television is strongly tied to developments in digital technology, no one can predict how much more the industry will explode. We know that the television production industry is growing incredibly fast and that jobs are plentiful. The topics presented in this chapter provide a brief idea of the various areas within the industry.
The Growth of Television Technology

The idea of sending a picture over a wire or through the air is an old one. As early as 1862, a still picture was transmitted through a wire. Moving images were not successfully sent for another 65 years. On April 9, 1927, the first moving images were transmitted via television between Washington, DC and New York City. The next year, Charles Jenkins of Maryland was issued a license for the first television station, W3XK. In 1930, Jenkins broadcast the first television commercial.

By 1936, there were 200 television sets in the United States. At the 1939 World's Fair in New York City, the Radio Corporation of America (RCA) sponsored the first televised Presidential speech, delivered by Franklin Delano Roosevelt. This was the viewing public's introduction to RCA's line of television sets. Seven years later, the first practical color television system was demonstrated. Color broadcasts became increasingly common by the mid-1950s, Figure 1-1.

The number of television sets in use in the U.S. passed the one million mark in 1948. In the same year, Community Antenna Television (CATV) was introduced in mountainous rural areas of Pennsylvania where broadcast television signals could not normally be received. This system would become what we now refer to as cable TV.

For the first forty years of its existence, television was mostly "live." Programs were broadcast as they were being performed. Programs recorded onto film were very poor in quality. In 1948, however, the Ampex Corporation introduced the first broadcast-quality magnetic tape recording system, the Video Tape Recorder (VTR). A practical videotape recording system for home use was not available until 1976.

Satellite broadcasting was introduced in 1962. This development made it possible to send and receive television signals anywhere in the world. In 1969, satellite broadcasting allowed the world to watch live as television pictures were transmitted from the moon. By 1983, consumers could

Figure 1-1. In 1954, RCA introduced its first all-electronic color television. The CT-100 had a 12" screen and sold for $1,000.00. (RCA)
subscribe to direct satellite systems for delivery of programming to their homes, instead of cable systems or conventional broadcast programming.

In 1995, the number of television sets in use worldwide passed the one billion mark. One year later, the Federal Communications Commission (FCC) approved the broadcast standards for high-definition television (HDTV). With the vast changes and improvements that digital technology offers, the FCC decided that standardization was necessary. In 2002, the FCC mandated that television manufacturers must equip all new televisions with tuners capable of receiving digital signals. All analog television broadcasts ceased on June 12, 2009. As of that date, all television broadcasts have been digital signals.

**Evolution of the Industry**

Television production became a thriving industry in the 1950s. The first generation of television production professionals learned the processes, techniques, and technology as they went. The learning process was natural and everyone was learning together.

The second generation of TV production personnel came into the field as it transitioned from black and white to color. This was a huge shift for the consumer, but many of the same production processes applied to both color and black and white television. Both the early black and white television and the first generation of color television used an analog television process.

The third generation entered the television production industry during the 70s and 80s. The professionals of this generation have many years experience and are earning sizeable salaries, but have been confronted with drastic changes in their field in recent years. Their experience lies mostly in analog technology, while the industry as a whole is implementing digital technology and processes in place of analog.

Because today's students have grown up with computers and technology, the digital technology that now prevails in the industry is easier for them to learn and use every day, Figure 1-2. Computer software production tools, Internet media productions (webcasts and podcasts), and digital recording

![Figure 1-2. Today's students are very knowledgeable with computers and current technology.](Image)
and editing processes require production personnel to be informed and proficient with changing technologies. Employers are eager to hire knowledgeable and ambitious staff members who demonstrate competency with new equipment and resources.

**Areas of Television Production**

There are many different kinds of television production companies within the industry as a whole. Most consumers are familiar only with broadcast, satellite, and cable television. These forms of television comprise only a small portion of all the television produced. All the broadcast, satellite, and cable television produced in a year represents only about 5% of all the television made annually.

**PRODUCTION NOTE**

Which part of an iceberg is bigger, the part above the water or the portion below the water? The part of an iceberg that lies below the surface is vastly greater in size than the visible peaks above water. Following this example, understand that commercial broadcast/cablecast television is only the proverbial tip of the iceberg in the television production industry, Figure 1-3.

**Commercial Broadcast Television**

Consumers define a "commercial" as a television advertisement for a product. In the television production industry, an advertisement is an ad or spot. The industry definition of "commercial" merely refers to a business that is profit-generating in nature. Broadcast means that the signal travels through the air from one antenna to another antenna.
A **commercial broadcast television** facility is one that is “for-profit” and sends its signal via a transmission tower through the air, **Figure 1-4**. This signal is free and anyone with an antenna may pick it up. The signal is radiated out in a pattern that crosses city, county, state, and national boundaries.

**Talk the Talk**

Do not get confused by the term “commercial.” Industry professionals call television advertisements “ads” or “spots,” not “commercials.”

**Subscriber Television**

**Subscriber television** is fee-for-service programming, where customers pay scheduled fees based on the selected programming package. The signals for subscriber television are transported by satellite transmission, by underground cables, or a combination of both.

To receive a satellite television signal, special equipment must be installed inside the home and a small satellite dish is installed and positioned on the outside of the home. The channels and networks available vary among programming packages and satellite providers in each area.

**Figure 1-4.** A commercial broadcast station sends its signal from an antenna, through the air, to the viewer’s antenna.
Most satellite packages also include local programming, such as the local morning and evening news and talk shows.

The signal for each cable television system is available only to a particular region. The cable programming that your home receives is likely different from the programming available to a neighboring town or county. Cable franchises are set up by local governments. Therefore, the available recipients of the programming package are predetermined.

**PRODUCTION NOTE**

Cable television used to be called CATV (Community Access Television), but the public just called it “cable TV” because it came into the home through a cable line. The name “cable TV” stuck. Many cable systems no longer use wires to carry the signal. These cable systems were upgraded to fiber optics, which enables more programming to be sent throughout the system.

How, then, can a broadcast station’s signal be received through an antenna, a cable system, and a satellite system? The broadcast signal starts from a transmission tower, is sent through the air, and is grabbed by either the local cable company’s receiving satellite dish or a transmission tower. Most often, the cable company sends the signal underground into its cable system. A satellite provider sends the signal to a satellite. Since the signal is first and foremost a free broadcast signal, it may also be received by anyone else with a receiver antenna.

**Educational Television**

*Educational television* aims to inform the public about various topics and is usually considered nonprofit. Educational television is often broadcast (such as PBS), but a video recording about the Lewis and Clark Expedition shown in history class is also educational television. Most of the programming on educational or instructional television is funded by corporate or federal grants. Originally, this type of television programming was exclusively intended to support or replay existing classes. It has come to include programming designed to inform the public about any topic, in addition to nonprofit programming that supports and replays existing classes. Well-known preschool programs, like *Sesame Street*® and *Barney & Friends™*, are also considered educational television.

**Industrial Television**

*Industrial television*, sometimes called *corporate television*, communicates relevant information to a specific audience. For example, a company may use industrial television to train employees or to communicate within the company. Training examples may include videos that teach workers how to operate machinery, help travelers learn a language, or instruct soldiers on strategy. A manufacturer of photocopying machines may show a training video to its repairmen that instructs them how to repair a specific
copier model. Auto dealers may show a video that informs mechanics of a specific repair issue. Rather than sending employees to an off-site training class, retail businesses can contract with a production facility to produce a training video. This video can be viewed on the store premises and be reviewed as often as necessary, Figure 1-5. A college may send informational or promotional videos to prospective students, showcasing the particular benefits and offerings of the college. The Internet is also an outlet for industrial television, with countless video programs posted on the web to be repeatedly streamed or downloaded by the public.

Closed Circuit Television

Closed circuit television (CCTV) is sent through wires and serves only an extremely small, private, predetermined area. For example, your neighbor cannot pick up a signal from your DVD player and watch the movie you are playing. This is because you have a closed circuit television system. Theoretically, you could string a connecting cable from your DVD player across the yard to their TV. Both televisions show the movie, but no one else in the neighborhood can receive the signal. Therefore, the person who creates the closed circuit also determines the size of the circuit.

Surveillance television is a form of CCTV that is usually, but not always, used for security purposes. Surveillance television is not really television production. It simply involves setting up a camera to watch an area, Figure 1-6. The surveillance cameras are always interconnected to a CCTV system. Surveillance television employs very few people, other than installers. After the system is installed, only a guard is necessary to monitor activity. Surveillance television systems help in protecting and securing banks, prisons, office buildings, apartment buildings, construction sites, and many other public and private locations. Surveillance television has also been used at traffic intersections to record images of traffic violators, and as dashboard cameras in police cruisers.
**Home Video**

Home video refers to someone using their consumer camcorder to record family events and activities, like a birthday party. While home video provides an archive for important family events, there is no realistic opportunity for financial gain. One in many thousands of home videos may be awarded a prize on a “silliest home videos” television program. Another possible source of financial gain for a home videographer is the unlikely event of recording something newsworthy while videotaping a family activity. One of the most famous examples of this is the Zapruder film of President Kennedy’s assassination in Dallas, Texas. News agencies have been known to pay a great deal of money for newsworthy videos shot by enterprising consumers.

**Video Production Companies**

Large-scale video production companies are facilities with sufficient staff and equipment to produce multi-camera, large-budget programming shot on location or in studios for broadcast networks or cable networks. Many of the programs you watch on CBS or other networks are not actually produced by network employees. Most networks produce only their own network.
news, news magazines, and sports programming. The majority of what is seen on network television is actually produced by another company and sold to the networks for airing.

**Small-scale video production companies** are businesses with limited staff and equipment resources. They exist by the hundreds across the country. These companies thrive on producing videos of private events (Figure 1-7), commercials for local businesses, home inventories for insurance purposes, seminars, legal depositions, weddings, and real estate videos. A company of this type has a staff that rarely exceeds five people.

### Television Program Origination

A network is a corporation that bundles a collection of programs (sports, news, and entertainment) and makes the program bundles available exclusively to its affiliates. The networks generally produce some of their own programming, but do not produce all of their own programs. Networks may produce sports and news oriented programming and some entertainment programming through a production division of the corporation. However, most of the dramatic programming (both dramas and comedies) is produced by large-scale production companies and sold to the networks.

**Figure 1-7.** Wedding videography is a growing market.
An **affiliate** is a broadcast station that has aligned itself with a particular network. A typical contract between an affiliate station and the network stipulates that the network provides a certain number of hours of daily programming. The affiliate is responsible for providing the remainder of programming to fill the daily schedule. **Figure 1-8** is an example of a typical day at the fictitious Television Production Network (TPN).

During the 21½ hour broadcast day, the TPN network provides 4 hours of national news and 7½ hours of other entertainment programming. The local affiliate station must provide the remaining 10 hours of programming. It is not likely that a local station can produce that amount of programming on a daily basis. The schedule displayed in **Figure 1-8** indicates that the affiliate station produces local news for 5 of the 10 hours. The affiliate must either create its own programming or buy programming to fill the remaining 5 hours of scheduled broadcast time.

<table>
<thead>
<tr>
<th>Time</th>
<th>Program</th>
<th>Affiliate</th>
<th>Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>5:30 a.m.-7:00 a.m.</td>
<td>Local News, Traffic, Weather, Sports</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>7:00 a.m.-8:00 a.m.</td>
<td>National Network News</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>8:00 a.m.-10:00 a.m.</td>
<td>Good Morning, USA</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>10:00 a.m.-11:00 a.m.</td>
<td>Syndicated Talk Show</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>11:00 a.m.-12:00 p.m.</td>
<td>Syndicated Reruns of Friends and Seinfeld</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>12:00 p.m.-12:30 p.m.</td>
<td>Local News at Noon</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>12:30 p.m.-1:00 p.m.</td>
<td>Syndicated Rerun of Everybody Loves Raymond</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>1:00 p.m.-4:00 p.m.</td>
<td>Soap Operas</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>4:00 p.m.-5:00 p.m.</td>
<td>Syndicated Talk Show</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>5:00 p.m.-6:00 p.m.</td>
<td>Local Evening News</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>6:00 p.m.-7:00 p.m.</td>
<td>National Network News</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>7:00 p.m.-8:00 p.m.</td>
<td>Syndicated Game Shows</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>8:00 p.m.-11:00 p.m.</td>
<td>Network Entertainment</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>11:00 p.m.-11:30 p.m.</td>
<td>Local News</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>11:30 p.m.-1:00 a.m.</td>
<td>Late Night Network Show</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>1:00 a.m.-3:00 a.m.</td>
<td>Late, Late Movie</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>
Episodes of former network programs that have been purchased and released for syndication are available to affiliate stations. These television programs are sold in blocks of a specified number of episodes or in blocks of time. For example, purchasing a particular program may provide one episode per week for 52 weeks.

If a network program ran for at least 3 years, there are enough episodes (26 episodes per year for a total of 78 episodes over three years) to make it available for syndication. **Syndication** is the process of making a specified number of program episodes available for lease to other networks or individual broadcast stations, after the current network contract for the program expires. Syndicated programs not only include those seen in primetime on major networks, but also some programs that were never picked up by a major broadcast network.

Usually, the production company that made the program leases the right to air that program to a network. It is commonly stipulated that the network may air that program a maximum of three times during the broadcast year (September through the following August). After that, the rights to the program revert back to the production company. The production company may then offer a lease of the program rights to any customer. Customers may include broadcast networks, subscriber networks, affiliates, or distribution companies that bundle the program with others to create a programming package. For example, a program bundle might include *I Love Lucy, Hogan’s Heroes, McHale’s Navy,* and *Gilligan’s Island.* Another bundle might include *Friends, Fraiser, Seinfeld,* and *King of Queens.* This second bundle carries a higher leasing fee because the programs are newer than the first bundle and are typically in higher demand by leasing stations. Stations know that the second program bundle will draw a bigger audience. Given that each of the shows in both packages are 30 minute episodes, either package provides a two-hour daily package of four shows, with the rights to air the programs an unlimited number of times during the broadcast year.

The contract terms for syndicated programs vary greatly. Most contracts depend, to a certain extent, on the program itself and its marketability. A highly marketable show, such as *Everybody Loves Raymond,* may be placed in a package and made available only with the lease of the other three shows in the package. A bundle of this arrangement allows the distribution company to make more money than with the one show alone. Another highly marketable show, such as *Law and Order,* may be leased directly from the production company as a multi-episode contract of a single series.

Various types of programs are available for syndication, including:

- dramas
- comedies
- talk shows
- game shows
- cooking shows
- animated programs
- children’s shows
- movies
Shopping for Programming

Shopping for programming is usually done in person, over the phone, via fax, or on the Internet. When a local affiliate decides to purchase programming, a budget is set. Someone from the affiliate station must negotiate with vendors to get the highest quality program for the allotted money. A program’s popularity and the population size of the broadcast area are among the factors to consider when shopping for programming. These factors directly relate to the purchase price of a program. For example, obtaining the game show Jeopardy! for Dead Gulch, Nevada with a population of 350 is not nearly as expensive as getting the same program for New York City.

Competition

There is some urgency in the decision-making process for programming. If another station in your broadcast area contracts with a vendor for a particular program before you do, they obtain exclusive rights to air the program in your broadcast area.

Many television stations in a single area compete for viewers. Each tries to choose programming that pulls viewers away from the competition, while the competition is doing exactly the same thing. To develop the best programming, you must examine the potential audience. Determine who is likely to be watching television at each particular time of day in the area. Knowing the demographics of your audience helps to develop programming that appeals to that audience. Statistics that are considered in demographics include age, gender, race, education, and economic level.

The reason networks run soap operas in the afternoon is that women caring for young children comprise a large portion of TV viewers during that time of day. The children are typically napping and the adults are taking a break from a busy morning keeping up with the kids. Many stations run children’s programming early in the morning because children are likely to be watching at that time. Stations usually run programming that appeals to young, school-age children later in the afternoon when the children are home from school. Ultimately, stations must pay for the programs they buy and must consider the audience when deciding on these purchases.

Local Origination

Local origination is programming made in a specific geographic area, to be shown to the public in that same geographic area. For example, the evening news in New York City reports that traffic is backed up in the Lincoln Tunnel. Do the people watching the evening news in Mayberry, North Carolina hear about the Lincoln Tunnel traffic in New York? Of course not. Viewers in both areas are watching the local news. Local origination comes in many forms. The local evening news is an example of local origination programming. Local stations may also produce a program about a local sports team or televise “town hall” meetings and local telethons, which are other examples of local origination programming for a specific community.
Financing the Programming Decisions

The ads that run during programs pay for the purchase price of those programs. Any money earned by the ads above the cost of the program goes to station overhead (equipment, salaries, rent, etc.). Advertising on the radio or in print is always an option, but television ads are very effective.

The advertiser must first contract with a video production company to produce a television ad. Once the ad is made, the company approaches the television station or network and asks that the ad be aired. The station charges a fee each time the ad is aired. The fee is not a set amount. It changes based on the time of day and the day of the week that the ad airs. If a company wants their ad to air during an extremely popular program that is seen by the largest audience of the week, a substantially higher fee is charged than if the ad runs at 2:00 a.m. during the Late, Late Show.

Production Note

Companies clamor to purchase coveted ad time during the annually televised Super Bowl. The cost of a 30-second spot fluctuates depending on when the commercial airs during the event. Ads that air before half-time may be charged differently from those airing in the third and fourth quarters. In the span of a decade, the average price tag for a 30-second commercial to air during the Super Bowl has risen from $1.2 million to about $3 million.

Television stations or networks cannot rely on individual companies to approach them with product ads. Funding is required to buy programming. Assume that a station’s research shows that the majority of potential viewers for programs airing from 11:00 a.m.-12:00 p.m. are either people with impaired health or who are retired. Programming of interest to this particular audience needs to be purchased. Once the programs are obtained, the sales staff is sent out to find organizations or companies to advertise their products or services during that program. If the station cannot find anyone to advertise during the program, they cannot afford to air the program.

Through a rating system called the Nielsen Ratings, a figure is determined that represents approximately how many people watch a program. If the numbers are too low, advertisers will insist that the advertising rates be lowered to reflect the smaller audience reached. If rates are lowered to the point that the program costs the network more than the ads bring in, the network must either continue to run the program at a financial loss or cancel the program. Sometimes a cancelled network program can find an extended life, with new episodes, in the cable industry. A competing network may even pick up a cancelled program and may be able to breathe new life into it.
**Figure 1-9.** The People Meter is a box connected to an in-home television, which records both who in the household is watching television and what they are watching. Data collected by the People Meter is used to generate Nielsen ratings. *(The Nielsen Company)*

**PRODUCTION NOTE**

The Nielsen Company has developed a media research system that estimates the size and demographics of the viewing audience for almost every program seen on television. To gather this information, the company distributes television diaries to selected Nielsen TV families and installs electronic television monitoring equipment in certain homes, *Figure 1-9*. These methods, along with random phone surveying and e-mail surveys, contribute to generating the ratings that are referenced for both advertising and programming decisions.

**The Business of the Industry**

Money is the driving force of the television industry. Remove any preconceived ideas that television is an art form. While art may sometimes occur, television is a business first and foremost. The success and failure of a business hinges on money. Every business decision made considers profits and losses.

Follow the trail of profit motivation in the following scenario:

- Widgets, Inc. has created the “Snapper,” a device that opens the flue of a fireplace with the snap of a finger. Advertising on the radio or in print is an option, but the company has decided that the best way to reach their intended customer base is to advertise on television.
- Widgets, Inc. contacts with the video production company AdsRUs to produce a television ad. Once the ad is made, Widgets, Inc. writes a check to AdsRUs for their services.
- Widgets, Inc. now approaches a television station or network to ask if they would air the ad for their product.
- The station assigns a fee that Widgets, Inc. will pay each time the ad is aired. The fee depends on the time of day that ad is aired, the day of the week, and during which programs the ad is aired.
• The station uses the fee assessed for the airing of the ad to pay for the purchase of the scheduled programming.
• If no one advertises during a particular block of time or programming, the station cannot afford to continue airing the program(s).
• Perhaps this helps you understand the logic behind the cancellation of a television program.

**Talk the Talk**

We often hear that a program got good ratings or was highly rated. Most consumers think that “highly rated” means that critics think the program is quite good. In fact, “highly rated” has nothing to do with program quality. It only means that a large number of people watched the program. The influx of reality programming is watched by many, many people, but a television critic probably would not consider these programs to be of meritorious quality.