

## Broadcasters Realize There's Not Much in a Name Anymore

Friday, March 23, 2007

By Meg James and Dawn C. Chmielewski  
Los Angeles Times

News Corp. and NBC Universal's new video service highlights a growing recognition among television networks: Their names alone mean little to younger audiences.

For decades, NBC, News Corp.'s Fox Broadcasting and other TV networks have agonized over their prime-time lineups and courted viewers with slogans such as "Must See TV." The networks initially mimicked the don't-touch-that-remote formula on the Internet, making many of their shows available for free -- on their own Web sites.

But a cornerstone of the new Internet venture, which the companies announced Thursday, is its willingness to send shows such as "Heroes" and "The Simpsons" to Yahoo Inc. and other Web sites where audiences already gather. It's also banking heavily on the ability of News Corp.'s MySpace social networking site to deliver viewers.

That means TV fans might soon be able to watch their favorite shows -- or stumble across new ones -- on many places across the Web.

"The networks are going the way of the movie studios," said Peter Sealey, a branding expert and an adjunct marketing professor at Claremont Graduate University. "Who the heck says, 'I think I'll go to a Paramount movie this weekend?' There was a period when networks stood for a programming philosophy. ... Now, it's all about individual content."

In some ways, the service will compete with YouTube, the Google Inc. video site that draws 34 million U.S. visitors a month. News Corp. and NBC Universal plan to create their own site that will offer free streams of some of the most popular TV shows.

The idea is that someone who misses an episode of "The Office" might forget which network's Web site they're supposed to find it on, especially in the era of digital video recorders that collect programs from many channels on one hard drive.

"The consumers have to, when they watch a show, remember, 'Now, is that an NBC show or an FX show or a Comedy Central show?'" News Corp. President Peter Chernin said. "One of the driving forces here was trying to aggregate as much content in one space and make it easy for consumers."

That's why he and NBC Universal Chief Executive Jeff Zucker are trying to recruit other entertainment companies to put their shows in the still-unnamed service, which is expected to launch this summer.

But just as important, the venture also relies on a strategy of "ubiquitous distribution" -- shows, which will include ads, will be syndicated to Yahoo, Time Warner Inc.'s AOL, Microsoft Corp.'s MSN and MySpace. They together reach nearly 96 percent of the U.S. Internet audience.

"At launch, this will be the largest advertising platform on Earth," Chernin said.

The companies are also talking to Google about becoming a distribution partner.

Major advertisers have already signed on, including General Motors, Intel Corp. and Cadbury Schweppes.

"Young consumers are going more to the Internet for their entertainment," said Sean Gleason, a senior vice

president at Cadbury Schweppes, which markets its Dr. Pepper and Sunkist beverages primarily to 18- to 24-year-olds.

“Between DVDs and iTunes, they are catching it all, but they are accessing entertainment in different ways. And we want to reach those consumers.”

While baby boomers grew up with the Big Three TV networks -- NBC, CBS and ABC -- their children are used to surfing a sea of TV channels -- and the Web.

Yahoo CEO Terry Semel said that NBC Universal and News Corp. have the shows that online viewers want to watch, but they needed his company to reach those viewers in a way that protects the material from piracy. About 500 million people across the globe use Yahoo -- the largest audience on the Internet. Its videos draw about 35 million viewers a month.

In contrast, NBC Universal said the Web site for its flagship broadcast network has attracted an average of 14 million viewers a month this year.

“The individual networks have good scale on their online audiences, but relatively small compared to the size of a Yahoo audience,” Semel said. “By doing what they’re now doing, which is very, very smart for both, they’re saying they own this content and they’d like this content to reach as many people as possible.”

The site will also offer promotional clips, videos that Web surfers can modify and paid downloads of movies from Twentieth Century Fox and Universal Pictures. The companies are hoping to eventually add shows and movies from other networks and studios, such as Warner Bros., Viacom Inc., Sony Pictures Entertainment and CBS Corp.

To entice them to contribute their works, the new partnership plans to share about two-thirds of the revenue generated by commercials that appear with their shows.

News Corp. and NBC Universal expect the amateur videos to play second fiddle to their polished professional programs.

The companies are betting that, when faced with infinite choice of what to watch next online, Web surfers will gravitate to the names they know from TV.

Jeffrey Cole, director of the University of Southern California Annenberg School’s Center for the Digital Future, noted that clips from shows such as “The Daily Show with Jon Stewart” and “Saturday Night Live” are among the most popular on YouTube. And he said it’s not too late for the new company, which he dubbed “NewTube,” to win away viewers.

“If NewTube has better stuff,” he said, “there’s no loyalty to YouTube.”

Times staff writer Alana Semuels contributed to this report