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Beyond big video:
The instability of independent networks in a new media market
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This essay explores the possibility of an online video market operating independent of conglomerations. At stake is whether new media can operate ‘democratically’, providing more equal distribution of control to producers and distributors within an unequal market. This is the story of a handful of these websites, all of which promise this possibility: Strike TV, My Damn Channel, KoldCast, Babelgum and Quarterlife. Their stories offer telling case studies of new media in their formative years. In the end, without industrial structures in place, independents must grapple with rapidly changing conditions, improvise business strategies and, ultimately, work with the mainstream, traditional structures to which they were, however superficially, in opposition. Independent distribution in early media emerges as a practice as much indebted to the old media as it pushes new forms of engagement, marketing and production.

Amid the turbulence of the 2007–2008 Writers Guild of America strike, a group of writers, directors, actors and producers gathered to explore the possibility of an independent form of television, with creatives autonomous from executives, content produced without focus groups and distribution outside of major conglomerations. The outcome of those meetings was Strike TV, a website which debuted quietly in the fall of 2008. The site premiered with a small slate of short films and web series made by Hollywood professionals but distributed on its own website. Strike TV was just a one of a handful of start-ups promising new forms of televiusal media, independently produced and distributed. By 2010, however, Strike TV still lacked a business model. Some of its producers had gone back to work for the major networks and studios. Many of its films and series had only aired one episode. Without major advertising support, the site essentially acted as a non-profit, showcasing occasionally innovative work but without a structure to monetize it.

This essay explores the possibility of an American online video market operating independent of the big video networks – YouTube, Hulu, Netflix, Amazon and other large-scale sites – from the early years of web video, roughly 2005 to 2010. As YouTube rose in 2005 and 2006, venture capital firms and entrepreneurs invested millions in creating distribution sites for amateur, user-generated and independent professional content. Typical of Internet, a number of those companies folded. Yet those who survived had to grapple with competing interests: how to monetize content created outside traditional media structures in a fractured, diffuse and complicated market, stymied by a recession, run by powerful but flawed advertising networks and exchanges and eventually reliant on traditional advertising agencies and brands conditioned to working with traditional media.

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At stake is whether new media can operate ‘democratically’, providing more equal distribution of control to producers and distributors within an unequal market. This is story of a handful of these websites, all of which promise this possibility: Strike TV, My Damn Channel, KoldCast, Babelgum and Quarterlife. Their stories offer interesting case studies of new media in their formative years. This is a work of early history, placing new media in a historical moment of immaturity, when the future is uncertain and the market constantly shifting.

In the end, without industrial structures in place, independents must grapple with rapidly changing conditions, improvise business strategies and, ultimately, work with the mainstream, traditional structures to which they are, however superficially, in opposition. Independent distribution in early media emerges as a practice as much indebted to the old media as it pushes new forms of engagement, marketing and production.

First, I will introduce and contextualize the online networks discussed in this paper and then a brief sketch of the online video market at this particular moment in media history. The rest of the paper narrates the individual stories of these sites in their early years, what new forms of production and distribution they hope to engender and how their practices have inevitably lead them back to traditional media.

New media in periods of transition
The market for online video is in its formative years, a difficult reality for all the companies and producers trying to navigate it. Still, new entrants have not been deterred. Starting in the mid-2000s, the rise of broadband, the growing sophistication of Flash technology and the influence of successful start-ups (YouTube, almost exclusively) ignited a craze for streaming video, unmatched since the live webcam boom of the late 1990s. The new wave in online video offered a more familiar broadcasting model, an evolution from live-streaming: content was short, discreet and easier to share. Filmmakers and marketers alike were able to reach new consumers. User-generated videos were ‘going viral’, and amateur producers appeared to have greater access to distribution – though without access revenue streams until YouTube’s partner program and revenue-sharing sites like Revver (now defunct). Advertisers saw opportunity, but the ‘viral’ nature of web video engendered fear alongside hope. ‘Viral’ implied a lack of control, and advertisers, fearful of ‘empowered consumers’, wanted nothing if not control (Donaton 2004, 8).

The sites discussed in this paper slowly emerged as an antidote to the wild, viral web. They provided clean, organized and, often but not always, genre-based sites, offering advertisers more targeting or content curated for marketable audiences. Websites like FunnyOrDie arose, targeting a comedy audience but still relying on a blind-upload model (any user could publish). By contrast, networks like Atom (Viacom) and Crackle (Sony) filtered their videos, only publishing high-quality content submitted by skilled amateurs or industry professionals and often – and for the purposes of this essay, tellingly – working with advertisers through branded entertainment. Yet the corporate-owned Atom and Crackle still had barriers to entry, lower than the broadcast and cable networks but high enough to discourage new entrants to the market.

The sites I examine – Strike TV, My Damn Channel, KoldCast, Babelgum and Quarterlife – adopted a more open stance. They offered a third way, harnessing independently produced and user-generated content in ways friendly to advertisers. They took what Bruns describes as the ‘networked, produsage’ aspects of web production and distribution – peer-to-peer, community-focused, and disaggregated – and attempted to give it structure like television or film (Bruns 2008a). Today they publish web series hoping
for more sustained engagement than viral hits, and they feature niche programming, both
totality and scripted, aimed at cultivating narrowly defined audiences. Not yet profitable but
with millions of viewers, they hope to become new kinds of networks, allowing for indie
productions, while subsisting on advertising. They are distinctly not ‘anything goes’ — as
YouTube, Blip, Vimeo and other sites — and not owned by major media corporations — as
Hulu and the network sites are. They are flawed, unique and historically specific creations,
in some ways manifestations of what Matthew Hindman calls the ‘missing middle’ in
online content, those sites without the vast audiences of the content hubs (YouTube, Hulu)
and not monetizing the long tail (Hindman 2009).

These video aggregators are ideal sites for examining the political economy of
distribution. Can independently produced media survive outside of traditional media
institutions and exist without overbearing corporate interference, an idea many of the sites
espouse? Independent networks expose whether a flattened media industry – following
Bruns, ‘television reconfigured’ – can be scaled into something sustainable. So far, most
of the sites have yet to fully realize the promise of marketing new media independence in a
mass media world.

An unstable market for online video

New media inaugurate periods of instability within markets. The earliest days of radio saw
the introduction of scores of amateur technocrats, each broadcasting to small geographic
areas, controlling production and distribution (Douglas 2004; Hilmes 1997). This
phenomenon ignited tensions between larger companies interested in scaling radio and the
semi-ordinary people to whom the media could ostensibly belong. Independent radio
subsisted for decades, until corporations gradually took over market share, with the help of
the Federal Communications Commission (Keith 2002; Rothenbuhler & McCourt 2002).
The earliest days of television were quite fractured, engaging lively debates about its
viability compared to radio (Donaton 2004), its relationship to traditional movie studios
(Anderson 1994; Hilmes 1999) and the role of independent studios in series production
(Alvey 1997). Some models, like sponsorship, were borrowed directly from old media
(Barnouw 1990), and furthered genres (soap opera, crime serials) while encouraging new
spectacles. Film production, with which web video is intimately connected, opened up for
independents with the advent of lightweight technology and dissolution of vertical
integration in 1948, but a true marketplace, sometimes termed Indiewood, did not mature
until the 1990s (King 2009; Mann 2008; Mottram 2006).

Web video and its distributors have a similarly conflicted history, and many of its early
woes, particularly of those sites I will describe, concern the pursuit of advertising. The
market still looks like an emerging one, and the place of the independent networks offers a
prism as to why. The same problem faces both publishers and advertisers: how to reach
an audience and effectively convey messages. Publishers – the focus of this essay – must
amass the largest audience possible and argue for its value to brands, which pay for
advertising. Brands need ways to reach audiences and want assurances their advertisements
are making it through. Having satisfied patrons (advertisers, mostly) remains of utmost
importance for publishers.

Does the market support independent online video? Yes and no. Networks can make
money online through ads, but not enough to promise the kind of sustainable independence
from advertiser control traditional TV networks can enjoy. Instead, low rates for online ads
have pushed thousands of distributors to individual advertisers, looking for product
placement and other deals for more money. The early years of new media are delicate,
and the websites to be described are trying to carve a sustainable market for independent production in an industry that demands scale and efficiency, the bailiwick of large industries.

This essay contributes to the extensive literature on debates over the role of distribution in television and media. The literature on television, in particular, has always been concerned with the medium as a powerful tool for producing and delivering messages, embodying the power of capitalism. Classic scholarly work from Douglas Kellner and Todd Gitlin to John Fiske and Herman Gray fluently argue for examining television’s distribution power as a sign of its ‘enormous sociocultural power’ and ‘ideological control’ (Kellner 1990, 75–76; Fiske 1987; Gitlin 1979; Gray 2004). Television’s mass (and massive) distribution system allows it to control messages: distribution has always been political. The works of Henry Jenkins and Axel Bruns, among numerous others, conversely theorize how technology disrupts industrial distribution and engenders new forms of cultural politics (Bruns 2008b; Jenkins 2006; Shirky 2008). This essay, utilizing articles from the mainstream and trade presses alongside interviews with executives and journalists, argues independent media can engage both discourses. They can suggest new business models, flatter hierarchies, yet still must ultimately answer to the market. Traditional structures never go away:

Nobody is anticipating a point where all bureaucracies will become adhocracies. Concentrated power is apt to remain concentrated...[C]onvergence culture is highly generative: some ideas spread top down... Others emerge bottom up from various sites of participatory culture.... (Jenkins 2006, 256–7)

This paper focuses on this interplay and the specific instances in which competing models for production and distribution compete for viability in an emerging market.

Independent distribution from revolution to realism: Strike TV

The winter of 2009 brought the second season of *Anyone But Me*, a teenage lesbian web drama series set in post-9/11 New York. Distributed on Strike TV along with BlipTV, YouTube, Hulu and KoldCast, the independently produced series went on to garner millions of views and a several awards, including a Writer’s Guild Award in 2010. *Anyone But Me*’s producers have waxed idealistic about the cultural value of web production and distribution but realistic about its financial flaws: the series has not made a profit (Christian 2009b). An outgrowth of Hollywood’s writer’s strike, *Anyone But Me* embodies the independent spirit its original distributor, Strike TV, sought to promote as writers and industry workers used the web to battle corporations for control over the medium (Banks 2010).

Strike TV, then, was a semi-successful effort to create a form of ‘indie television’, a more capitalist form of ‘alternative television’ espoused by previous generations of media activists (Kellner 1987) and newer theories of digital technologies (Bruns 2008a; Rizzo 2007). After the strike, however, its position in the market grew precarious. Two years after its inception, Peter Hyoguchi, Strike TV’s indefatigable chief executive, was optimistic about the potentials of independent distribution but sobered by years in the trenches. ‘The whole economy of filmmaking from production to post-production to distribution is allowing for a show like this, that a has a voice, that’s different’, Hyoguchi said referring to *Anyone But Me*, but added, ‘quality isn’t enough, and that’s the one thing I discovered. Although we have the tools to make this great content and we can distribute the content, there’s a little something that we forget about, which is marketing’ (Interview with Hyoguchi 2009). Hyoguchi’s statement perfectly encapsulated the tensions in the
new economy for independent content. Online, producers can wield an incredible amount of control, but streamlined distribution and marketing is the domain of traditional media. Web series need support from institutions with visibility, brand recognition and refined methods for pushing content. This reality eventually led Strike TV to consider going back to the system it originally opposed for help in distribution and marketing.

Before explaining Strike TV’s plans to marry independent and traditional media, it is important to understand the site’s beginnings as a site of activism against an industrial apparatus seeking control over new media. On 7 January 2008, weeks into the writer’s strike that waged from the previous fall to the following spring, the blog United Hollywood, which had become a nexus for information and talking points for those politically aligned with the WGA, posted a notice about a workshop for Hollywood professionals interested in bypassing their employers and making their own content for Internet distribution: ‘The AMPTP [Alliance of Motion Picture and Television Producers] would like us to sit around and wait for them. Well, we’re tired of waiting. It’s time to start doing’ (United Hollywood 2008a). The point of the meeting was to mobilize collective production within this small community to develop a different, egalitarian economy for content. According to Hyoguchi, five to six hundred writers, editors, cinematographers, directors, actors and below-the-line crewmembers showed up to discuss new productions and ‘speed date’ to find collaborators. ‘For 100 years, creative professionals have wanted to create their own content and own it and control, but haven’t been able to do that’, Hyoguchi said, describing the pitch to the Hollywood strikers (Interview 2009). It worked. From that first meeting, dozens of web series went into production. Hyoguchi estimates the meeting produced two hundred series aiming for distribution on Strike TV. Not all the series came into fruition, of course. Some never materialized, though a few, most notably Joss Whedon’s Dr. Horrible’s Sing-Along Blog, went on to incredible success.

Strike TV attempted a market-oriented intervention into the new media economy – aiming for Hindman’s illusive ‘missing middle’ – but one made outside of the mainstream media. For Hyoguchi, Strike TV positioned itself as a possible third way for those looking to break the hold of the networks on content but not sacrifice their work to diffuse, user-generated marketplace of YouTube: ‘There’s not a lot of incentive… to put something on YouTube when it’s going to be shoulder to shoulder with a cat jumping on a piano’ (Interview 2009). YouTube-style web video focuses on the ‘viral’ nature of content. Instead, Hyoguchi wanted to grow the market for independent content to provide enough ‘consistency’ for advertisers to invest money: in other words, a true marketplace for all video creators. Scale, along with consistency, was important. One show, Imaginary Bitches, he said, had reached six million views but only after one year. Advertisers said they could reach the same number in one night on traditional television. ‘We realized: wow, we need to advertise these shows just like everyone else advertises these shows’ (Interview 2009).

From Strike TV’s earliest weeks, the tension between independence and corporate cooption was apparent, though initially its champions may have ignored this fact. According to one report of the initial meeting, Ken Hayes, an Internet entrepreneur, had noted during the workshop how, online, ‘traffic… is king, not content’, and traffic must be packaged to sell to advertisers (essentially describing how ad networks work); yet ‘no other speaker exhibited Hayes’s crass commercialism… the Strike TV discussion had an air of self-delusion about it’ (Burton 2008). By late summer 2008, Strike TV had apparently abandoned plans to publish content online before securing advertisers and moved to a distribution strategy similar to the upfronts, looking to book major advertisers in advance of the launch while syndicating its shows to other sites like YouTube and Joost (Hustvedt 2008a; Hustvedt 2008b). This appeared to be in direct contradiction to a post on
United Hollywood (admittedly not written by Hyoguchi), which linked working with advertisers as anti-independent: ‘Shoot first, get advertisers later. This is a good thing. It means talent generate the ideas, not marketers … Getting advertisers to finance production can be more hassle than it’s worth’ (United Hollywood 2008b).

Without a strong revenue stream rivalling the mainstream networks, Strike TV could not keep its talent: its reliance on Hollywood professionals hampered its potential growth possibilities. After the euphoria of the strike, writers, actors and professionals went back to their mainstream media jobs, the fount of salaries and royalties. This left Strike TV with a number of quality pilots from big names in television but without ways to turn them into series: ‘If you’re not looking to be a flash in the pan viral hit, but rather a long-term success, you might reconsider the involvement of the truly famous’, journalist Liz Shannon Miller wrote about web series’ reliance on professionals in traditional media (Miller 2008).

By late 2009, Hyoguchi’s enthusiasm for the viability of an independent digital economy had not disappeared but was tempered by a sense of realism: ‘Strike.tv would be a out of business if we were actually a business’, he said pointedly. Strike TV realized it needed the traditional media much more than it had originally thought. Journalists like Miller were starting worry the site was ‘still stuck in the year 2008’, flush with optimism but not grappling with a challenging marketplace (Miller 2010).

In this context Hyoguchi hatched a new and revealing business plan. Instead of trying to raise millions of dollars in financing – ‘impossible in this economy’ – it could rely on traditional media to handle marketing and distribution. In this plan, the site would syndicate its shows (with writers retaining ownership) to the websites of the network affiliates – ABC-Los Angeles, Fox-Philadelphia, etc. – and potentially local radio stations. In essence, Strike TV would model itself after TV’s entrenched affiliate model, that is, what Disney’s ABC, Comcast’s NBC, News Corp.’s Fox and CBS already do: act as a feeder for content to smaller stations. The affiliates would license Strike TV’s shows and potentially share revenue. If successful, Hyoguchi imagined expanding to distributing to the websites of traditional newspapers as well.

Though the tale may sound familiar, in truth Strike TV’s story is far from one of pure corporate cooptation. Strike TV brings to mainstream media distribution creative ways of envisioning production. In describing his role in the series Anyone But Me, Hyoguchi differentiated his job as an online network executive from the endless chain note-giving executives on television: ‘I’m more of a facilitator than their overlord’ (Interview 2009). He said he gives the creators notes on some aspects such as music, but grants them final say. ‘As a studio executive the relationship is totally unique. I’m not funding the show. I’m just presenting the show. I love the fact they have total autonomy that they have. I love the fact that they can do whatever they want’ (Interview 2009). Whether he can retain this kind of autonomy if he cedes distribution to the affiliates, though, is an open, crucial and unresolved question.

Whether or not Strike TV’s distribution plan materializes the mere existence of the strategy indicates how surviving independently of highly structured corporate markets – in this case, the network-affiliate model – is difficult. The ‘new media’ will have to, following Jenkins, converge with the old and may indeed rely on traditional media for survival.

**Producing for companies, soliciting independents: My Damn Channel, KoldCast, Babelgum**

If Strike TV was borne of an anti-corporate ideology, the following sites began as hard-nosed businesses looking to harness indie innovation on the web to make money in the
growing market. As past theories of alternative media have stressed ‘anti-commercial’ or ‘low finance’ models of distribution, some scholars have noted ways in which media outside major corporations can move away from the ‘radical’ and into the commercial sphere, where advertising is no longer an anathema (Atton 2002). The stories of these independent networks suggest alternative yet professional content (short-form web video) can only subsist for so long without direct input from major advertisers, in ways which may ultimately undercut their claims to independence.

My Damn Channel is a product of an industry veteran remaking the media market from the inside, with full knowledge of the challenges of independent production and the value of corporate financing. The network for web series premiered in 2007, following the success of Will Ferrell’s FunnyOrDie, and quickly earned the moniker ‘Funny Or Die Clone’, from NewTeeVee. In truth, the site did debut with short-form comedy, entering a crowded field awash in online ventures from the mainstream media – TBS’s Super Deluxe, NBC’s DotComedy and the HBO/AOL joint venture ThisJustIn – and a number of new or already entrenched Internet-spawned sites like IAC/InterActiveCorp’s College Humor and Break Media. The mainstream media offshoots quickly shuttered, but My Damn Channel is still alive, though, as of my interview with Barnett, not yet profitable.

My Damn Channel’s claim to independence is complicated. A site at once promoting independent producers while creating content specifically for brands, My Damn Channel makes a good amount of its revenue as an outsource studio for marketers looking to harness web comedy. Unlike the grassroots-grown Strike, My Damn Channel is the brainchild of the suits: in this case, Barnett, a former MTV and CBS Radio executive using venture capital to fund the online venture. From the start, My Damn Channel had to operate as business. Barnett planned to ‘create multiple streams of revenue:’ ‘In the end it’s about making money’. Nonetheless, Barnett’s history in cable and broadcast taught him, he said, more about the power of not acting like a corporation than about the advantages of being big. He stressed flatter bureaucracies, with fewer executives and the ability to go from an idea to a pilot in weeks, not months. As a former executive, he saw how dense corporate bureaucracy could stymie ‘the benefits of acting fast’ and doing something creative: ‘Sixty percent of the time we spent in horrible fear that we’re going to lose our jobs. And if we do something risky and it fails, we’re definitely going to lose our jobs’ (Interview with Barnett 2010). Early on the site promised to give artists ‘100% creative control to develop their own brands’ (Gannes 2007). An early press release stated: ‘My Damn Channel empowers professional filmmakers, actors, comedians, musicians and athletes to co-produce, mass distribute and monetize original, short-form video across multiple platforms’ (PRNewswire 2008). The idea of ‘empowering’ producers and ‘not driving producers crazy’ is key to the channel’s self-identity. My Damn Channel focused giving creatives like director David Wain (Wainy Days) and personality Andy Milonakis their own shows. It also distributed quirky ventures like You Suck at Photoshop, a low-tech comedy featuring voiceover and screenshots of Photoshop. Within its first year, according to press releases, the site’s videos had been viewed 30 million times and it had earned $1 million in revenue.

In order to support such projects, My Damn Channel had to rely on ad networks, the main drivers of the web video market, and eschew direct sponsorship, which came with creative strings attached. But ad networks, despite offering creative independence by automating sales, were tough on publishers. Soon Barnett knew display advertising could not sustain an Internet business. Of the site’s three-pronged revenue model, display was ‘not compelling’, he told me (Interview 2010). To be sure, the site syndicated its content across various websites – including Atom, Yahoo, MySpace and (significantly) YouTube – to amass revenue from the ad networks. But such a strategy, harnessing the viral capacity of
the web, was limiting: ‘You’ve got to be one of the biggest most trafficked sites in the world to get rich’ (Interview 2010). The most significant piece of its revenue pie became branded entertainment. For My Damn Channel, branded content deals were slower to materialize but offered potential windfalls, reaching into the six-figures. Branded content was a pathway to artistic independence, Barnett said: ‘When major ad sales deals become a consistent reality on the Web, then our business model will become a sure thing for talent craving artistic freedom and a solid paycheck’, he told the Associated Press in 2007.

Talking with Barnett in 2010, I heard a more nuanced view of branded entertainment, focusing less on artistic independence and more on reassuring corporations. Describing how series are developed, he said the most important aspect of the process involves understanding ‘what the brand is trying to accomplish’, their business cycles and what audiences they are trying to reach. (Such brands include advertisers like Lincoln, Southern Comfort and Puma). Only rarely does My Damn Channel itself have an idea – developed either in-house or through pitches from independent producers – and produce a series without brand input. ‘More often than not’, Barnett said, the site is ‘pitching and collaborating’ with brands for their own needs. The best case scenario is not an idea conceived independently but rather when an advertiser has a specific idea for a series they want My Damn Channel to execute: ‘there’s already that creative buy-in’. The site works like a studio, on a project-by-project basis, hiring producers to execute brands’ ideas. Less frequently does it hire individual creators with passion projects; this would put My Damn Channel at the hands of the ad networks, far away from the guaranteed revenue gleaned directly from corporate patrons.

Such a setup is somewhat different from its mission of empowering independents, because ideas developed outside the small list of powerful marketers with the funds to pay for production puts My Damn Channel in the more precarious position of hoping content goes viral (amassing revenue from pre-roll and display with less-than-favourable rates). With its subscriber base on YouTube, and small – by online video standards – dedicated fan base for the home site, My Damn Channel can appease brands ‘by following some of the most old fashioned rules in the book: which is guaranteeing deliverables, guaranteeing traffic, guaranteeing the metrics and not guaranteeing buzz, and heat’ (Interview 2010). ‘Buzz and heat’ is domain of the viral, the user-generated, and it is unpredictable. My Damn Channel’s ability to market its independent spirit to large corporations, while ultimately catering to their needs, has allowed it stay afloat, even to the envy of the mainstream media.8

‘This company is about the independent spirit, we don’t have an overlord telling us what we can or can’t do’, Barnett said, with a degree of truth (Interview 2010). From its series with David Wain to IKEA’s Easy to Assemble (which itself has numerous distribution partners), a number of its series embody the kind of programming developed without corporate interaction that most clearly evoke an ‘independent spirit’. But these are made to enhance the brand of My Damn Channel and are sometimes separate from the big ad deals that directly bring in cash. My Damn Channel, then, both espouses independence while realizing independence comes at price, a price ultimately recoupable by cutting deals with the same companies who subsidize the traditional media.

My Damn Channel does have alternative and, Barnett said, promising revenue streams, mostly aimed at monetizing its growing library of web series. In 2009 it started syndicating shows to hotels nationwide in a deal with distributor DoNotDistribute TV, and it began sending content to mobile phone providers Verizon and AT&T; it was working with Internet-to-TV companies Boxee and Roku to gain entry into living rooms. A subscription-based service is also a possibility. These moves indicate My Damn Channel might be able to commission series based on artistic and cultural merit alongside marketability and not
only on a series’ attractiveness to brands. The deals are ‘coming into fruition’ and might provide the site with the kind of sustainability larger television networks use to take programming risks (Interview 2010).

My Damn Channel is not alone in its delicate dance between independent production and corporate marketing. Such arrangements are almost de rigueur among the site’s peers. KoldCast, who, like My Damn Channel, has distributed web series to TV screens through deals with TiVO and Boxee, debuted in 2008 publishing and soliciting professionally made films and series by independent filmmakers, musicians and entertainers. Like My Damn Channel, KoldCast’s early deals included distributing web series produced elsewhere and signing deals giving Hollywood stars – like Harland Williams and Mindy Kaling – their own shows with the freedom to do as they pleased. By 2009, KoldCast had announced an ‘original studio’, hiring former Hollywood executive Marti Restighini to help cultivate and buy new web shows for distribution on the site. Restighini functions as a more artist-friendly studio executive, fielding pitches and cultivating talent. Unlike the major studios, though, she aims to be accessible: ‘If a video is submitted, you will get a response, and you will get a response from me’, she said (Interview with Restighini 2009). Restighini said she sometimes would advise a filmmaker on how to improve their product, even if KoldCast did not plan to do business with them. Her rationale was the network is invested in the success of ‘the space’, quality web video, so the success of independents was better for everyone: ‘So many filmmakers are using this as kind of a training ground for themselves; it’s really important for them to realize what their strengths and weaknesses are in terms of story, in terms of production and in terms of marketing’ (Interview 2009).

My Damn Channel receives dozens of cold pitches every week, but the chances of making it onto the site are slim. Similarly, KoldCast’s site is curated, but the network does have a system for taking an independent filmmaker without a brand’s sponsorship and placing them on the site. Typically KoldCast will buy a series, either already completed or by occasionally paying for production, and cultivate it for a season, hoping to build an audience and find a brand to sponsor its second season. Filmmaker Kai Soremekun, whose series Chick explores a woman who slowly finds out she’s a superhero, told me she submitted a trailer of her already completed series to the site and heard back immediately; Tom Konkle, creator of a popular green-screen series Safety Geeks SVI, said the site picked up all his production costs, leaving him free to worry about the narrative and quality of the show (Interviews with the author 2009). In each case, filmmakers without much industry credibility were given opportunities to craft shows and get them distributed on a curated site.

KoldCast is a business, though, not a charity. Using pre-rolls, overlays, and post-rolls to generate revenue for non-branded series is ‘sort of the old way’, Restighini said. Instead KoldCast spent months creating a section on their site called ShowShops, a place for brands to sell merchandise and advertise products placed in series cultivated through the network. The network would try to place brands within shows, either in its first season (if it is working from a pitch) or a second season. As much as KoldCast is a platform for new media auteurship, it has decided it must also give equal placement – an entire page on its site – to major advertisers for distribution. It has yet to be seen whether KoldCast will abandon altogether working with filmmakers and instead focus on satisfying brands. Whether or not it does, its plan to sell products alongside its series makes explicit the kinds of compromises independent distribution in new media engenders.

Already Babelgum, a site nurturing a niche audience of independent film and music aficionados, has realized producing for brands, as opposed to cultivating individual talent,
is the wave of the future. ‘There’s just more inherent value there as you integrate your brand across platforms’, Douglas Dicconson, Babelgum’s chief revenue officer said: ‘We need less monetized ad units and more marketing partners’, referring to ads served on indie videos (Interview with Dicconson 2010). This does not mean independent filmmakers go unrepresented on the site: the network annually brings on sponsors for an online film festival and has produced its share of indie web series, but, increasingly, catering to brands appears to be its strategy. Months after announcing a million-dollar effort to invest in independent production, Babelgum started cutting costs and shedding offices (Lawler 2009). For Babelgum, making content geared toward corporate sponsorship now seems a safer proposition.

Selling to corporations not consumers: WatchMojo versus Quarterlife

If supporting independent creativity involved compromising artistic purity for the sites mentioned above, one foil to the networks in this story is WatchMojo, a Montreal-based video production and distribution website focusing on selling a large library corporate-friendly informational and lifestyle videos. Like About.com did with text, WatchMojo explicitly stays away from fiction and narrative videos and amateur content of the YouTube variety. Instead, it rose to prominence – over 10 million monthly streams and viewers by 2010 – riding a trend of non-fiction video sites. Consumers want information but are fickle with entertainment, the theory goes; meanwhile corporations will always need video, and informative videos are corporate-friendly.

Before delving into WatchMojo, it is instructive to compare the site to another much-publicized network debuting a year later: Quarterlife. Quarterlife is most commonly known as a web series, initially developed as a pilot for ABC, who passed on the show. Marshall Herskovitz and Edward Zwick (thirtysomething, My So-Called Life) took the show online in late 2007, first on MySpace, but eventually the team developed an independent social network site called Quarterlife. The idea behind the site was to harness artistically minded individuals to create content – visual art, video – for Quarterlife.com while fostering a ‘community’ to discuss and self-promote the show. ‘I’m a big believer in independent production’, said Herskovitz, noting how ‘independent television’ – ‘his vision without an intervening force’ – really does not exist. ‘The entire landscape’s owned by six companies’ (Interview with Herskovitz 2009).

When Quarterlife achieved success online – an average of 350,000 views per episode – NBC decided to give it a chance on a bigger screen. On the night of its broadcast premiere, the series flopped with roughly four million viewers (Toff 2008). ‘That was kind of the end of the television life on Quarterlife’, Herskovitz said. The advertisers he’d secured for the series, including Pepsi and Toyota, ‘didn’t want to come back’ (Interview 2009). Traffic to its social networking site, which had reached tens of thousands, started to decline. The site stayed up, even though no new episodes were posted, but a year later, it was begging for money (Christian 2009c). By early 2010, the site had ceased to be independent, instead joining Ning, a network of social networks, operating essentially as a much more modest user-led non-profit; by July 2010, the site had officially shuttered (Christian 2010b).

Quarterlife’s story is a fascinating tale of the clash between new media and old media and trials of independence. By making it onto television, Quarterlife proved users could propel something into the mainstream on their own, but once mainstream success proved unsustainable, most of the users left, and with them, the advertisers too. ‘I think we did prove something but it kind of was the tree falling in the forest with no one there to see it’, Herskovitz said: ‘Now it’s very rare for something to take off without any marketing.
There’s just too much competition’ (Interview 2009). What Quarterlife proved is how independent production may need the ‘push’ marketing of corporations in order to survive. Had Quarterlife taken its four million viewers to cable first, and sustained itself there, its history might have panned out quite differently.

For WatchMojo’s chief executive, Ashkan Karbasfrooshan, sites focusing on web series and user-generated content like Quarterlife are not the proper response to the online video market of YouTube (volume-based) and Hulu (traditional media). ‘If you are a producer that wants to make what he wants, that’s great. But it’s not scalable. There’s no guarantee that anybody watches it’, Karbasfrooshan said: ‘The kind of viewers who watch web series, they’re going to watch that on television’ (Interview with Karbasfrooshan 2009). Instead, WatchMojo focuses on short-form, professional content. With a small in-house production team, the site makes no claims to artistry or independence and explicitly makes content either commissioned directly by brands or made to sell directly to companies, who then use the videos as entertainment – in shopping malls, in coffee shops, on their web sites, etc. WatchMojo’s videos include such how-to clips as ‘Cover Girl Tips For Faking It: An Eyelid Crease’ or ‘American Classic Looks from the Gap’ (the fashion and lifestyle pages the most popular). If not branded, videos are informational, like ‘The History of the Waterways in U.S. and Canada’ or ‘Travel Guide: Luxembourg’.

WatchMojo prides itself on its ability to attract companies willing to pay for its professional and brand-friendly content. Since 2006, WatchMojo has slowly built a large library of thousands of videos, most of which do not go out-of-date. It competes with a plethora of informational video sites online, many of which are designed precisely to be more corporate-friendly than YouTube and the independent networks. An entire league of how-to sites (Albrecht 2008) have achieved some success acting essentially as houses for brands to outsource video production: HowCast, which gets 25 million streams per month, makes deals with companies like Kodak, 1-800-Flowers and G.E. making videos as part of corporate promotional campaigns (Clifford 2010; Plesser 2010). WatchMojo’s Karbasfrooshan, whose background is in marketing, knew ‘marketers didn’t want to necessarily associate themselves with user-generated. We wanted it be the About.com of video’ (Interview 2009). Brands like Coca-Cola use WatchMojo’s sleek, topical and benign videos in special promotional websites; McDonalds used them for a site geared toward women. Bluefly, on the contrary, produced its own promotional videos in-house and needed a place to publish them. Eighty percent of WatchMojo’s revenue comes from licensing and syndication, the rest from advertising; in other words, WatchMojo gets paid directly for content. The site deals with marketers directly and swiftly and gets ad rates twice as high as with the ad networks. ‘Ad networks are good for ad networks’, he said (Interview 2009).

Whether or not it is successful, WatchMojo’s business model reflects a different relationship to new media production and online distribution. It suggests what consumers want is content related to living, and this happens to be the easiest and most corporate-friendly kind of content to sell. It has allowed the site to subsist by making the content it wants to make without relying on either traditional media or needing to compromise artistic vision. Everything it produces is for brands: it makes few claims to artistic vision or independence.

The story of how new media mature: From revolution to realism?

For 100 years, creative professionals have wanted to create their own content and own it and control, but haven’t been able to do that.

Peter Hyugochi, Strike TV chief executive officer

Peter Hyugochi, Strike TV chief executive officer
The web does offer spaces for independent distributors, but what those networks look like and how successful they are varies widely. Entrepreneurs looking to build portals for independent video face incredible challenges to creative autonomy. With an ever-growing supply of content online, advertisers are able to extract more control and better rates from all publishers (Turow forthcoming), and those with the best content (the Hollywood produced video of Hulu and Netflix; well-funded content of Yahoo and Aol) or the most content (YouTube), have the best bargaining position. Caught between the missing middle and the future of television, the quirky and unfamiliar series of sites like My Damn Channel, Strike TV, Babelgum and KoldCast have yet to establish a firm market position. This sends them back to corporations, who can brand or subsidize independent content for comparatively low rates.

What do these stories contribute to our understandings of new media and production? These case studies expand on theories framing independent and amateur production on the web as ‘exploitative’, where corporations have complete power to harness the low-budget efforts of the masses (Petersen 2008; Terranova 2000; Turner 2010). It also provides an important corollary to studies positioning user-generated content outside the traditional boundaries of the political economy of production (Benkler 2007; Bruns 2008b). Instead, a more complex picture emerges: independent participants in the new media market make valiant attempts to harness their creativity and package it to advertisers; yet those products can be undervalued, necessitating more corporate-friendly responses to their labour.

If any narrative of twentieth-century media exists, it is one of independent beginnings and eventual corporate dominance (Wu 2010), a story which gave rise to decades of critique from within the academy about the loss of a more democratic society. In truth, this narrative glosses over the many moments in modern media history when independents carved spaces for themselves within larger structures, whether on radio in the 1960s or on public access in the 1970s. The end of the 1990s and beginning of the twenty-first century brought renewed hope among some scholars for a more egalitarian media system. Large corporations, who in truth had spent decades anxious about their ability to retain their power, were visibly shaken about their lack of control over how audiences were consuming and producing media within a growing set of options for engagement: from channel surfing on cable and commercial skipping on DVRs to remixing videos on YouTube and cutting TV chords.

In this moment in history, the networks discussed in this paper attempted to intervene and harness the power of democratized production (revolution) while simultaneously acknowledging corporations still held the purse strings (realism). Their successes and struggles offer a window into a media system in transition: how new forms of production can stimulate innovations in distribution, and yet how scaling distribution – making money from visibility – is a craft honed over decades, not years, and it remains the province of the big, old media.

Media evolve circuitously not linearly. The ever-shifting new media market poses challenges for all its players, not just independents, as evidenced by companies like Netflix and Hulu embarking on large buying sprees (Matheson 2011; Stelter 2011) and YouTube purchasing independent web video network Next New Networks (Christian 2010a). Those without access to capital must be more creative and make more sacrifices: new forms subsist by inventing strategies for making money, and this process always involves a dialogue between those with large amounts of capital and those with room to grow. What digital media suggests, even as it realizes the revolution in distribution must involve the companies from the analog era, is only the possibility of a media system more amenable to independent creation. Nothing is guaranteed. The web may yet avoid the same inequalities
of television – starkly divided between conglomerates on one side and public access television on the other – but what form it will take remains to be seen.

Notes

1. ‘Independent’ here is as specific as it is malleable. By ‘independent’, this essay describes producers who are not making videos under corporate control. Some, but few, are ‘amateur’ in that they are unskilled in film production. Many are Hollywood professionals (behind the camera or B-list talent) who simply want temporary independence from their regular employers. Others are young, straight out of film school and have yet to be assimilated by the industry.

2. The question of product placement is, of course, critical, and will be explored. While declining revenue and audiences on television, particularly broadcast television, has necessitated product integration and has for decades, the amount of revenue they enjoy for 30-second spots allow them to operate – commissioning pilots, hiring stars, broad storylines – relatively independent of any one particular brand. This is coupled with television’s alternative forms of revenue – licensing, retransmission and carriage fees, DVD sales, international distribution, etc. – to be discussed. Turow has remarked how marketers were always sceptical about how much product placement could ever replace the more efficient ad delivery system (Turow 2006, 102).

3. KoldCast has a content distribution partnership with Strike TV. (PR Web 2008)

4. For the series’ next season, the creators solicited fan donations and raised more than $30,000; with some extra funding sources they were able to make a shorter third season.

5. Other reports have estimated attendance at 300 (Burton 2008).

6. Dr. Horrible remains an ideal within the industry: professionally produced with famous actors, it eventually made money primarily through DVD sales, along with other deals with Hulu and Netflix (Whedon 2008).

7. Hyoguchi noted it was in its pilot stages.

8. Recently, the digital arm of Fox Television Studios, 15 Gigs, went to My Damn Channel to help distribute a web series it had developed months before and place on YouTube and Hulu to little avail (Christian 2010a). ‘If you’re going to be lost in somebody’s sea, there’s a lot of effort lost in putting it up there’, Barnetet said when interviewed about the site’s deal with the studio.

Notes on contributor

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References


