

TV is Dead, Long Live TV

For the better part of a decade, the music industry has been coping with the realities of the digital world, from the great boon of new ways to legally distribute music, to the bane of online piracy. Now, thanks to technological change and competitive creativity, the many players in the vast television industry—studios, entertainment conglomerates, over-the-air broadcasters, cable and satellite companies, advertisers, stores that rent or sell DVDs—are nervously realizing that TV's turn has come.

Many of those who produce content for television worry that the sort of illegal downloading that plagued the music industry will soon seriously deplete TV audiences. This is a misguided concern. It is true that the spread of broadband Internet access and the improvement of file-sharing software has made the online piracy of TV and movies somewhat easier, but illegally downloading TV shows remains too slow and too difficult for all but the most tech-savvy users. And by the time the technology improves enough to make piracy a widespread option, television content will likely be distributed—legally—in new ways that make piracy less of a problem.

The real issue is that viewers now have more choices and more control in how and when they view TV, and this expansion of choice and control will fundamentally change the nature of video entertainment forever. Television programs are being made available on DVD very soon after they air. Cable companies are being pushed—by both consumers and policymakers—to consider more *à la carte* options for the channels and prices they offer. Shows recorded on TiVo can be transferred to your computer or iPod. Following several years of experimenting with video-recording and video-on-demand technologies, cable and satellite companies are now inking deals with networks to offer customers TV shows whenever they want. Google, AOL, Yahoo, Microsoft, and Apple are all setting up services to sell network TV shows, both new and old. Sony and Microsoft are angling to turn their video-game devices into portals for passing more programming into the home. And other technological advances—like high-definition televisions, next-generation DVDs, and handheld video devices—are just beginning to catch on.

It is almost impossible to keep track of the many innovations and corporate deals announced in this area in 2005, and more should be expected in the coming months. Clearly, we are in the midst of more than a mere industry shake-up; we are facing the end of TV as we know it. The longstanding fundamentals of the TV industry—including the use of advertising as a source of revenue and the concept of regular programming schedules—may not make much sense in the coming years. We are hurtling toward a time when TV programs will be available anywhere on nearly any device, when viewer fees will replace ad income, when the only shows worth watching live will be sports and news. We can only hope that greatly increased choice will result in improved programming, and that the constant availability of any and all of our favorite TV programs won't make us forget how to turn off the tube.