

Straight-to-Series in Broadcast Television: Causes, Issues and Consequences

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Abstract

In the last few years, Netflix has set itself as a true player in U.S. television industry, fostering new competitive dynamics that have contributed to redefine television's production and distribution models. This paper aims to discuss one of the effects of this competition: the rethinking of the pilot process in favour of the straight-to-series commitment in broadcast television.

The analysis will unfold along three main directions:

1. Causes: we will argue that Netflix, through its high financial commitments, has launched a speculative bubble that has shaken up the traditional structure of competitive forces, pushing competitors to outbid its offers to hit-producers.
2. Issues: we will see whether the straight-to-series model could prove economically viable for broadcast television.
3. Consequences: we will ultimately analyse the consequences on narrative forms of network series, focusing in particular on writing processes and modes of storytelling.

Introduction

In the last few of years, Netflix has set itself as a true player in U.S. television industry, fostering new competitive dynamics that have contributed to redefine television's traditional distribution modes. But along with this clear and already long-debated drive towards on-demand services and customised viewing practices, the success of the online streaming platform has also encouraged changes on the production processes. Its two-seasons order of the high-profile drama *House of Cards*, followed by *Orange Is The New Black* and the revival of *Arrested Development*, in fact, can be considered a true game-changer in the TV environment, affecting the strategic decisions of both cable and broadcast players.

In order to exemplify this point, we will discuss the case of the latest trend in broadcast TV networks: the rethinking of the pilot process in favor of the straight-to-series commitment. Interestingly, it is a transition that could alter the overall television landscape, both from the commercial and aesthetic standpoints, and that is part of a larger process of change in the way content is produced, aggregated, and distributed in contemporary mediascape. As we will see, it has

to do with technology, as well as with fundamental changes in the economics of the communications and broadcasting industry, that has created new competitive advantages, eroded others, and altered the balance of power between different market actors [Galperin 2004, 4].

Our analysis will unfold along three main directions: first, we will deal with the causes leading to this point, that is to say the reorganization of the market's competitive forces around new business models. Secondly, we will examine some main issues concerning the viability of the straight-to-series model in the broadcast television environment, both from the commercial and from creative points of view. Thirdly, we will dwell on how this shift has commercially and aesthetically affected the storytelling of network TV series.

1. The Importance of Pilots

Pilots are prototypes or, as Jeffrey Ulin puts it, 'they are the guinea pig of a series' [2010, 237]. They are stand alone test-episodes of intended TV series and, basically, they are produced to sell a series to networks. Theoretically, a pilot decreases the risk on a per-property basis because it provides the network with enough information to make an informed strategic and creative decision on whether the idea is worth an investment for additional episodes [Ulin 2010, 237-239].

In order to better grasp the importance of pilots, it is important to remark that TV financing costs are tempered by the ability to stage commitments. Since they experiment with location, premise, cast, timing, etc., pilots tend to be significantly more expensive than later episodes – for instance, the pilot of *Lost* (ABC, 2004-2010), costed between 10 and 14 million dollars. But once a show finds its rhythm, it should become more efficient to produce, as episodes are produced in volume and up-front costs of sets, costumes, and infrastructure can be amortized over the run of series [Ulin 2010, 75].

Pilots are also a basic part of the series' development process, that set the phases of the television seasons. First-run TV series tend in fact to follow a regular cycle of development and launch: generally, most network series debut in the fall and are committed to following screenings of pilots in the spring. Each summer, the major networks receive hundreds of pitches from writers and producers and, the following fall, each network requests script for only a few of them. By January, networks executives order around twenty pilots, which are later tested by network executives and test-audiences. Based on the feedbacks, each networks chooses the most promising pilots for series order, which are presented at the networks' annual upfront in May, a display for potential advertisers, and added to the network schedule for the following season.

2. The Straight-to-Series Model: Causes

The straight-to-series mode of production consists in an entire season order, and therefore entails a

larger financial commitment from the network. The practice is already commonplace on cable and over-the-top players, where series are often commissioned on season-basis. This happens because of different business models and institutional constraints than broadcast networks': reduced dependence on advertising revenues and, therefore, less advertisers' meddlings; More money coming from subscription fees; Different phases and rhythms of the season cycle (or the lack of it in the OTT environment); Branding strategies depending on certain productive and narrative standards – all of these factors influence the productive, distributive and narrative strategies adopted by cable, broadcast and OTT players.

So far, straight-to-series in broadcast television is still in its experimental phase. But recently, the straight-to-series model, which once was an exception, has turned into a trend. It is the case, for instance, of NBC's *The Michael J. Fox Show* (2013-2014), *Hannibal* (2013-2015) and *Dracula* (2013-2014), CBS' *Under the Dome* (2013-), ABC's *Black Box* (2014), or upcoming high-profile projects such as Vince Gilligan and David Shore's *Wolf Creek* for CBS, *Extant* – a sci-fi drama starring Halle Berry on CBS, Fox's Batman-inspired *Gotham*, *Marvel's Agent Carter* on ABC, just to name a few.

One of the main causes of these trend is Netflix. It is clear how its business model has contributed to ultimately alter distribution, bringing to the fore the “legalized” anytime-anywhere logic as never before. But more than this, it is the Netflix mode of production that has proven to be a game-changer as well. Its production model implies larger financial commitments that streamline the process of original shows without commissioning and testing the pilot. The idea is that, with a granted full season commitment, producers and writers with great high-profile projects will go to OTT first – the emblematic case is the already mentioned *House of Cards*: a 100 million dollars deal between Netflix and Media Right Capital secured a two season commitment and important names as Kevin Spacey and David Fincher, outbidding competitors such as AMC and HBO.

We can therefore argue that, through this strategy that brings to the extreme an already well-established premium cable practice, the Netflix has launched a speculative bubble that has shaken up the traditional structure of competitive forces, since now Netflix is practically pushing competitors to outbid its offers to hit-producers. On the one hand, this practice has cast Netflix into the same market as cable's, where, at the same time and along with well-established players like HBO, Showtime, AMC and FX, some newer cable channels are making big upfront series-orders, elbowing their way into the market (e.g. WGN America with *Salem* [2014-] and Starz with *Da Vinci's Demons* [2013-2015]).

On the other hand, networks had to up their game as well in order to stay competitive. Magazines like *Vulture* and *The Hollywood Reporter* are in fact increasingly reporting statements from network insiders and executives confirming the drive toward change: ‘What you're hearing a lot of this

season is, «If we go to Netflix, we'll get ten episodes.» You hear it on almost every single pitch. Agents and managers – they're all using it' [Adalian 2013]. And again: 'A lot of this is about getting people to come to us over cable' [Rose-Goldberg 2013].

3. The Straight-to-Series Model: Issues

What broadcast networks are facing and evaluating now, is the economic viability of the straight-to-series model. Commercially, as we have seen, one main issue concerns major financial commitments and increasing upfront costs, which could in fact be unsustainable for the ad-supported business model of broadcast television. But this could be partly solved with co-productions.

Most important, networks need to find new solutions not only to cope with the upfront costs but, above all, since broadcast players still rely on Nielsen ratings to sell commercial breaks, to recoup those costs even if the series does not work on the scheduled time slot, i.e. if the series does not prove suitable for Nielsen's commodity audience.

Nevertheless, it is Fox's entertainment chair Kevin Reilly who strongly defends straight-to-series and explains that his moves are a way to unwind his network off the antiquated pilot cycle, that he describes as a 'silly system'. As he argues, Fox spends as much as 4 million Dollars to license each pilot, many of which viewers never see. The straight-to-series strategy would allow networks and studios to have a product that they can exploit immediately on air and in the international marketplace [Rose-Goldberg 2013].

4. The Straight-to-Series Model: Consequences

The increasing adoption of the straight-to-series model in broadcast television, entails relevant consequences. For instance, with straight-to-series orders, seasons tend to be shorter, resulting into a greater flexibility for the cast. Also, considering the partial shift from a twenty-four-episodes format to a thirteen-episodes one, we could also ask ourselves: should we expect the production of an increasing number of series, to cover the year-round schedule?

Cast flexibility and programming issues aside, We would like to focus two other possible consequences: From the commercial standpoint, with great monetary risks come great responsibilities. In order to reduce those risks, networks might first of all turn to high-profile projects involving more and more hit-names, a strategy that is already common place on cable with film actors and writers literally flocking to the small screen. As TV writer and producer David Simon argues: 'Networks might be less willing to greenlight more offbeat, small-scale, or original ideas in favor of ones that have a higher probability of breaking out, at which point they essentially start operating like the studio system where name actors and flashy concepts rule the airwaves'

[Chitwood 2014].

From the creative standpoint, straight-to-series could end up altering the traditional writing process of broadcast shows, strictly connected to weekly production and airings. As reported by *Deadline Hollywood* [Andreeva 2014], many believe that creators of broadcast TV series could actually benefit better from the old process, since it lets them produce a first draft of an idea which can later be adjusted according to the networks' needs and, above all, to the audiences' tastes – broadcast TV does rely on Nielsen ratings after all. So, as the weekly writing process turns into a long-range planning, the straight-to-series model could lead to forms of storytelling more similar to cable's formats. It is in fact something we have already noticed with the high serialization *Hannibal*. Interestingly enough, the latter shows a slow-burn narrative and a degree of violence more related to cable's standards, than broadcasts'. Also, it is a kind of show that seems to target a niche audience, unlike the mass commodity audience measured by Nielsen.

Conclusions: Licensing Deals, Competition and Coexistence

So far, straight-to-series orders have produced mixed outcomes. One of the 2014 major bets was the sitcom *The Michael J. Fox Show*, commissioned by NBC with a twenty-two-episodes straight-to-series order. The show averaged 1.7 rating points among adults 18-49. After airing its first 15 episodes, NBC pulled the few episodes left to air from its lineup, and the series is currently on the bubble, probably meaning that the network doesn't know yet what to do with it.

NBC's *Dracula* was another failure, though boosted as a big move: a straight-to-series commitment for ten episode starring notable actor Jonathan Rhys-Meyer, the show was nevertheless canceled after its poor ratings results.

On the other hand, *Under the Dome* was a major success and *Hannibal* has been renewed for a third season despite its low ratings. But actually, these two shows have something in common: licensing deals. What in fact we have not explored yet, is how most of the strategies we have seen so far, are strictly linked to (if not dependent on) deals for long-term, cross-media reruns, i.e. another way to hedge risks, or better, to counter them and recoup upfront costs, which would solve one of the afore-mentioned issues.

Long-range ratings data, such as Live+7, DVRs and online binge-watching, are gaining preeminence both in the cable and network scenario. As for the broadcast environment, the deal with online streaming service help counter risks for a failure on television. For instance, Fox's deal with Netflix to stream *New Girl* (2011-) right after the show's second season ends, means that Fox is able to amortize production costs sooner than it would have with syndication, that usually requires one hundred aired episodes.

As for straight-to-series orders, for *Under the Dome* and *Extant*, CBS worked out a deal with

Amazon Prime to give the platform early access to the show in exchange for a financial commitment, that results into a monetary boost for the shows themselves [Adalian 2013].

As Todd Van Der Weff [2014] argues on *The AV Club*: ‘What’s happening is that TV shows increasingly are seen less as immediate performers and more as long-term assets. The rise of Netflix, Hulu, and Amazon Prime in the world of TV has proven to be comparable to the rise of DVD in the world of film’. In fact, the OTT are not just competitors to broadcasters, and they are not only further distribution channels: they are actual investors, putting a great deal of money into the network economy and, in so doing, allowing the production of new seasons to be funded not just by *actual* (or better, *measured*) viewer, but above all by *potential* viewers. So, as online distribution and customised viewing practices are blurring boundaries between markets, we can also see how competition is also pushing towards strategies of coexistence that could foster changes and evolution in the entire system.

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