
For every action, there is an equal and opposite reaction.
—Newton’s third law

Television is the New Television: The Unexpected Triumph of Old Media in the Digital Age is a slender book examining the economic relationship between “television” and the “new media” that aims to set out who makes money and how. Its author, Michael Wolff, is an American media entrepreneur, author, columnist and serial provocateur who has written for Vanity Fair, GQ, New York magazine, The Guardian and USA Today. In this book, he presents himself as a sort of myth-buster and adversary of Silicon Valley social media agitprop, adopting essentially an investor’s perspective that raises vital issues about the sustainability of many popular digital media applications and the long run direction of television as we know it. In spite of the sloppy and undigested generalizations and digressions that make up parts of Television is the New Television, Michael Wolff has something to say that should be of interest to anybody concerned with the future of television and digital social media.

The book begins with a question: what can the Web offer a mass audience that will sustain interest and create a sustainable (i.e., profitable) environment that will attract advertisers? In search of an answer, Wolff says that Yahoo, AOL, MSN, The Huffington Post, and BuzzFeed have come to resemble what the digital world formerly derided—newspapers. Over the past twenty years of digital revolution, only a small number of major brand advertisers have moved substantial parts of their budgets to digital media while the value of television advertising, he asserts, has remained largely stable. Providing disposable, largely low-level content, digital media have gathered vast amounts of direct-response advertising allowing them to replace the inexpensive forms of advertising offered by newspapers. However, even restricting themselves to legitimate practices, digital media generate at best a drive-by audience, and one whose costs generally exceed its revenues. For Wolff, this is the essence of digital media economics. At heart, he is not an enthusiastic advocate of social media or self-expression through user-generated work, which he considers amateurish and incapable of paying for the costs for hosting such material.

Wolff says that the highest form of digital media is to use technology to accomplish curation and thus, with you and your friends as the stars, the Facebook News Feed has become a fully personalized newspaper. Digital media have succeeded in capturing the low end of the advertising business: direct response, call-to-action, act-now advertising. But otherwise, they have not attracted an audience so much as traffic—people moving to and fro, taking an often random path, seeing little and absorbing less. Facebook’s value comes from the enormity of its meaningless, undifferentiated traffic. This kind of traffic is off-putting to big-budget advertisers who are looking for prestige...
and singularity, as well as emotional and cultural connection—something that comes from the intensity of an experience.

Wolff says that the tech community sees Netflix as a disruption of television. For him, this is an instructive example of new media agitprop. As far as he is concerned, television is disrupting the internet. Netflix is bringing television programming and values and behaviour, such as passive watching, to heretofore interactive, computer-related screens. Netflix originated as a feature film DVD rental site before evolving to a rerun television network offering an additional ancillary market to ad-supported network television programs. Today, other than being delivered by Internet Protocol (IP) technology, Netflix is no more than an unlicensed television channel offering subscription video-on-demand (S-VOD). It is not user-generated, social, bite-size or free. Netflix is not comparable to HBO, says Wolff, it is more like AMC or TNT, that is, what in the U.S is called a basic cable channel with a small number of high-quality prime-time shows backed by a library of movie reruns and television series.

From being almost entirely advertising supported forty years ago, Wolff says that television now gets half of its revenues from non-ad sources—subscriptions, licensing and foreign sales. It also retains special, high profile can’t-avoid-the-ad events, including sports and award shows such as the Super Bowl and the Academy Awards. Even though unlicensed new media are disrupting the established television broadcasting system, software is unable to create news, sports, television comedies or drama, or change the underlying licensing and advertising structure of the television business. According to Wolff, soft-trend media reporting confuses television as a business model with television as a distribution channel. Television as a distribution channel may eventually lose out to digital media, but digital media cannot become profitable without adopting the business model of television.

Between Napster’s launch in 1999 and iTune’s launch in 2003, the listening of music escaped from music industry control. According to Wolff, to prevent further chaos, the music industry surrendered to Apple in its financial arrangement with iTunes. This did not involve technology winning over entertainment—Wolff describes Steve Jobs as an old-fashioned media mogul who sought control over distribution. However, unlike BuzzFeed, Facebook and Google, Apple manufactures and sells consumer products. Jobs simply adopted a model of licensing and distribution—the two pillars of the broadcasting business—so that Apple could become a licensing organization with Apple’s products providing access to the music it streamed.

The digital video media business watched what happened to the music industry and circa 2005, YouTube transformed video streaming into a one-click operation. Not only were videos on YouTube viewed with relatively close attention, but the viewer watched from the beginning, to the middle, and often to the end. YouTube offered a new entertainment format and new advertising possibilities permitting a huge volume of movies, television programs and assorted video content to become part of a free online library, otherwise reminiscent of iTunes. Pirating allowed YouTube to get off the ground, but during and because of Sumner Redstone’s 2007 Viacom suit targeting YouTube’s copyright practices, YouTube grudgingly began self-policing. Thus, YouTube (under Google who purchased the company in 2006) shifted out of piracy into user-
generated content and negotiated a set of licensing agreements with content makers enabling it to enter the television business. According to Wolff, YouTube has become a classic television network and a collective digital video recorder (DVR). And significantly for Wolff, YouTube is not just in the television business, it is in the wholly ad-dependent television business.

Beyond the mythology of garage start-ups, digital media largely form part of a top-down industry heavily influenced by a relatively small set of investors. Wolff is sceptical of the big American corporations that are shaping social media and profiting from the absence of regulatory oversight. Television broadcasting and unlicensed digital media are not that different from one another, except that the collection of owners is different (at least in the United States). Facebook and Google are simply competing networks. For Wolff, it is unclear what digital technology actually brings to video, beyond streaming. There is certainly a market demand for higher production quality video (sometimes called “premium” or “premium plus”) but digital media distribution is little more than a video programming platform highly reliant on the existing video product and talent pool.

This said, from a digital perspective, Wolff believes that bundling is what is wrong with traditional media and that digital media’s à la carte model (which is also driving piracy) will defeat big media. There is also a populist political interest in unbundling, driven by complaints about rising broadcasting distribution bills. At the same time, obliging consumers to pay for a bundle of services is a means to finance the new and untested, the experimental, and the banal from which the hits arise. What is more, there is a keenly interested third party—professional producers of content who generally benefit from bundling, although, in a few cases, they may also benefit from unbundling scenarios. And there is a worrisome argument, heard in Canada as well, that unbundling might make consumer prices rise rather than fall. Ironically, says Wolff, the pathways through which consumers access unbundled programs at a heavy discount are only available if bought through television and new media services acquired in a bundle!

According to Wolff, the methods by which digital new media became cheaper and appealed to a wider audience were aggregation, a modest repurposing of the same material from site to site, and user-generated content—a kind of democratized, amateur, cost-free approach to information and entertainment. But these approaches created a digital media wasteland. As digital media were becoming a lowest common denominator traffic jam, television entered one of its cyclical golden ages, becoming a cultural event. “Digital media became the stuff of short attention spans and restless energy, while television became storytelling on a riveting, epic, moral, how-we-live-now scale” (p. 191). Scripted content has become a new cultural threshold, speaking to both more segmented audiences and a more educated consumer. The future of digital social media such as Facebook and Twitter is in video.

Wolff claims there is no way for digital social media to compete with television without providing sports programming. “Sports is … the original and ultimate reality television. It’s news with a real-time cliff-hanger outcome” (p. 182). Without sports, digital media are comparable to mere retail banking while the broadcasting of sports
is comparable to a high-risk, arcane financial instrument. Perhaps this is why Twitter had a contract with the NFL to stream ten of the 2016 season’s “Thursday Night Football” games. If Twitter is able to use this deal to attract new users, an area where growth has slowed considerably, then NFL football could help stave off Twitter’s declining share price.

The fact remains that new unlicensed digital media programming services, including Canadian services such as CraveTV and Sportsnet Now, are currently offering entertainment and sports services competitive with licensed television broadcasting networks and stations. In Canada, these services are owned by integrated media companies who operate both unlicensed and licensed undertakings. Through a series of happenstance moves that he does not explain, Wolff says that cable had become the main provider of digital access (i.e., internet service provision).

One of the problems with this book lies in the absence of even modestly rigorous definitions. By “television,” Wolff presumably means licensed television broadcasting services, both programming and distribution services. “New media” apparently means what, in Canada, have been designated by the Canadian Radio-television and Telecommunications Commission (CRTC) as exempt digital media services. But the two concepts at the heart of his discussion are never clearly defined. Consequently, in his definition and discussion of “television” and his assertion that old media are triumphing, to draw on a sports metaphor, the author repeatedly moves the goal posts.

There are unnecessary asides and tangents in Television is the New Television, which includes a share of unsubstantiated assertions. (Is it true we are living in one of television’s golden ages?) There are no footnotes or bibliography, formal studies are mentioned but not identified, and most quotations are accompanied by wholly incomplete references. In spite of all of this, Wolff’s generalizations and his sustained musing provide something of a research agenda for television studies. He has sketched out a useful modern history of U.S. media and, as he says at the end of the book, “those who fail to learn from history are doomed to retweet it” (p. 193).

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