

**WATCHING THE INTERNET: THE FUTURE OF TV?, JOSE MARIA
ALVAREZ-MONZONCILLO (2011)**

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Reviewed by Jeffrey A. Hart

This is a thought-provoking but also an irritating book. The author has written widely on the subject in Spanish. He presents some useful statistical evidence about trends in revenues for both online and offline activities, and correctly focuses on the importance of advertising as a source of funding for new content. In my view, the main flaw in the book is the author's unquestioning belief in a few propositions that are repeated over and over but for which there may be insufficient evidence.

The first of these is that people who access content via the Internet and the World Wide Web generally prefer not to pay for that content. This despite evidence that websites that require payment are becoming important distribution centres for copyrighted material. The author argues, in addition, that other ways of getting Internet users to pay for content (such as advertising and fees) are not likely to preserve existing methods of financing new content and infrastructure. The author summarizes the problem this creates as follows: '... companies that are most profitable in the internet industry neither provide content nor own infrastructures, while the rest attempt to recover their investments by devising new online business models' (204). Google is clearly one of these firms. So are Yahoo, iTunes, Amazon, eBay, Microsoft and Facebook (111, 195).

Another premise of this book is that traditional broadcast television served to unify society by providing a 'cross-class experience' based on the concept of 'least objectionable programming' (225). The unifying experience began to erode when pay TV (e.g. via cable and satellite) was introduced and the mass audiences began to fragment into more specialized audiences. The migration of video entertainment to the Internet has greatly accelerated fragmentation of the mass audience. Again, there is contrary evidence that broadcast television is still receiving premium prices for advertising in primetime slots, thanks to the very high-quality programmes that have been produced to replace the more mediocre programmes that were no longer attracting mass audiences. The mass audience is clearly not dead.

According to the author, the migration of television to the Internet has increased the gap between youth and the elderly: '... at one end of the spectrum are young people whose only medium is the Internet, and at the other is the older age generation for whom TV is the only source of information and entertainment' (189). There is evidence that the gap in Internet use between the young and the old is declining. The elderly are accessing the Internet for medical and financial information, while preferring the 'lean back' television to the 'lean forward' PCs or laptops for accessing video entertainment. Young people are increasingly cutting the cord to cable TV in order to reduce their media budgets and are more likely than their elders to believe that the illegal sharing of copyrighted material is justified because of the high price of CDs and DVDs.

At the beginning of Chapter 11, some of these issues are touched upon in the following passage:

Fifteen-year-old Matthew Robson's mother was out walking their dog Rudy when she got into conversation with a senior financial analyst about the possibility of her son doing a work experience placement at his company. While there, Matthew produced a report that shook the City and was widely reported in the media. In it he wrote that teenagers cannot be bothered to read the pages and pages of text contained in a newspaper; they use game consoles as mobile phone; they like viral marketing; they don't like devices with cables; most have never bought a CD; they go to the cinema regardless of what is on, and they prefer to play their own music rather than listen to a radio DJ's.

The rest of the chapter focuses on the rise of 'participatory culture' in which user-generated content combined with rating and voting systems play a major role. The author goes on to argue that this new culture, which he calls the 'tag era', undermines the role of 'experts'. According to the author, '... laypeople simply do not have the knowledge to judge many subjects' (171). As a result, many people depend upon intermediaries to help them decide how to consume media. Those intermediaries will not necessarily be the programmers of network television, however. The result will be 'TV 2.0' where the audience has much more control over what they see than in the past. As a result, TV broadcasters will have to engage the audience much more than they used to do in order to preserve their audiences. Viewers will have to increase their competence in using information technology so as not to '... end up watching what other people have programmed ...' (177).

Lurking in the background is the idea that broadcasting was a way for elites to shape society through public service television and government regulation of commercial television. This important idea is shared by many Europeans and particularly those on the Left. It was undermined by the rise of pay TV in Europe even before the shift towards digital distribution of video content to the Internet. There is a bit of nostalgia for the earlier era not just in this book but also in other work on the new media by European scholars.

The author sides with the content- and infrastructure-owning firms who oppose the idea of net neutrality. In order to have the necessary incentives to continue to invest in new content and infrastructure, in his view, Internet firms like Google and Facebook will have to form 'agreements with content and service providers to make them part of the market' (204). In the absence of such agreements, content and infrastructure firms will collude to form 'walled gardens' where consumers must accept advertising and/or usage fees to gain access to premium content and services. What is missing is a careful review of the evidence presented by the content and infrastructure companies that their revenues are declining because of illegal file sharing or the shift of advertising to Internet firms like Google. There are a number of studies that contradict those claims, but they are not taken seriously here. Movie revenues have not declined, thanks largely to the increase in the production of 3D films.

Similarly he accepts as a given that 'the cost of bandwidth is dropping at a slower rate than traffic profitability is growing' (117). This in spite of the fact that the cost of bandwidth continues to drop thanks to continued advances in switching, fibre optics and wireless technology, while profitability, especially in wireless services remains very high indeed, especially in the area of text messaging (where the price per bit is extraordinarily high). One would think that the reduction in distribution and advertising costs made possible by the Internet, would help to buoy profitability in the content firms. Again a bit

more scepticism of the claims of both content and infrastructure companies would be warranted.

The author correctly notes that there have already been agreements between Internet firms and infrastructure firms in the area of mobile telephony. Google and Verizon concluded an agreement to exempt cellular phones from net neutrality rules, for example. It is natural for the content and infrastructure companies to want a piece of the search engine and social networking pie. Their claim that Internet companies are free riders or even vampires are a bit silly, given the major expenditures made by Google and others to guarantee high-quality video and search results by investing in distributed server clusters in various parts of the world. Google's major purchase of dark fibre was a sort of insurance policy against the ability of infrastructure firms to deny them access to the infrastructure. YouTube (owned by Google) is investing in content creation in order to guarantee a steady stream of high-quality video submissions.

The content and infrastructure firms deny the need for society to preserve a space in which creative people can share digital material freely. They focus, instead, on the need for society to allow them to protect their intellectual property against theft (or, as they call it, piracy). They have lobbied for new laws while asking governments to strictly enforce existing ones. This puts the author squarely on the side of those firms, in contrast with other scholars, such as Lawrence Lessig and Joachim Benkler, who have argued that new and compelling content will continue to be produced and distributed *only if* a 'remix culture' remains a presence alongside the commercial entertainment industry, the principle of fair use is upheld, and strong net neutrality guarantees are codified in law (170).

The book was not copyedited carefully and its organizational structure is less than crisp. Luckily the book ends with a chapter that summarizes the major arguments of all the previous chapters. The concluding chapter was not carefully edited, however, so that the numbers marking the beginning of each new section are at the beginning of paragraphs.

Despite the criticisms above, I commend the author for tackling so many important issues and trying to impose a bit of structure on them. Even though I disagree with a number of his premises, this book can be read with profit by scholar, practitioners and students. There is a dearth of books on this subject and this one definitely adds value.

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