

New Trends and Future Directions

The static images that many people associate with the World Wide Web reveal very little of the compelling nature of the digital media system that is just around the corner. But many changes that signal a major transformation of the Internet are already underway. Computers are now capable of handling audio files with fidelity that rivals that of CDs, and the quality of streaming video, still in its early development, continues to improve. Televisions, in turn, are now being used to access the Internet, a trend that will grow with the introduction of new, more sophisticated cable set-top boxes. Mobile phones, pagers, and personal digital assistants (PDAs) are now manufactured as Internet-ready devices, and videogame consoles are being designed as integrated home entertainment centers, with the ability to play movies and music as well as to surf the Web.

And the Web itself will one day be bypassed, giving way to new forms of content and new means of delivery, including new ways to exploit the Internet. A recent *Business Week* forecast of the Internet's future pointed to four trends that were likely to usher in the post-Web world: (1) the wireless revolution, with content tailored specifically for portable, mobile devices; (2) peer-to-peer computing, featuring new software and services that will facilitate the exchange of data among PCs, including both collaborative projects from remote locations and distributed processing (harnessing several computers simultaneously across distances); (3) instant messaging, expanded to include multimedia conversations across digital TV and wireless platforms; and (4) machine-to-machine communications, automating tasks and undertaking negotiations on the user's behalf.²³⁹ "The Net is a platform around which we will build all sorts of really interesting products and services," explains Richard Newton, dean of the College of Engineering at the University of California at Berkeley.²⁴⁰

Many of these new products and services will be delivered by a range of devices beyond the standard personal computer. Such appliances as personal video recorders (PVRs), third-generation (3G) mobile communications devices, and interactive television (ITV) via advanced set-top boxes will produce dramatic changes in the ways in which media content is produced, packaged, and disseminated—and the ways in which revenues are derived in the process. Not only is media content becoming accessible nearly everywhere, but the options concerning when, where, and how consumers access such programming are rapidly expanding. Rather than passively consuming the media in static and linear forms, consumers are already creating their own unique media experiences, using customizable PVR and ITV programming features, for example, or assembling personal music collections by downloading MP3 sound files from the Internet and "burning" their own CDs.

Teens are often the first consumers to embrace these new technologies and services, and thus will be among the first to define the future of new media. “The current generation of teens is not intimidated by technology and does not share the same fears as the rest of us concerning the Internet,” observes Davis Masten of Cheskin Research. “They are very tech savvy and also less susceptible to marketing hype.... As they mature, their experiences on the Internet will vastly influence its future development.”²⁴¹

Teens are already producing their own kinds of media “convergence”—by watching television and surfing the Net simultaneously, for example—even in advance of the seismic shifts that are expected to affect the media future.²⁴² And while many of the details of that future remain to be worked out, we have already been treated to several glimpses of what the oft-touted media convergence will entail:

- In February 2000, MTV devoted an entire week of programming to the impending convergence of television and Internet. During “@MTV Week,” viewers of the popular cable network were able to log on to the MTV.com site during shows to learn more about their favorite artists and to interact with the television programming. Interactive features included behind-the-scenes footage, live chats with artists, private guitar lessons with AC/DC guitarist Angus Young, and the debut of a new “interactive” music video. MTV.com users were also given the opportunity to “program” the channel by voting for their favorite videos for inclusion in such shows as “TRL,” “Hot Zone,” “Beat Suite,” and “MTV Jams.”²⁴³
- Selected sports programming (including ABC’s “Monday Night Football” and the CBS’s coverage of college football), have been broadcast digitally with an overlay of on-screen icons that can be clicked on to yield statistics, player and team profiles, discussion forums, and the like. Although only a tiny percentage of TV sets are suitably equipped to take advantage of such interactive features, it is widely thought that sports broadcasts (along with game shows and so-called “reality” programming) will be among the prime targets for the participatory and informational aspects of ITV.²⁴⁴
- T-commerce—online transactions via the TV set—is likely to become another primary focus of ITV, with revenues estimated to reach \$23 billion by 2005.²⁴⁵ Among the leaders in this area are Wink, Digital ADCO, and RespondTV. ACTV’s Digital ADCO subsidiary, SpotOn, is an ITV advertising system that sends targeted ads based on demographic profiles and compiled viewing behaviors.²⁴⁶

The Wink Response Network is a proprietary interactive advertising system in which participating advertisers get immediate feedback on any revenue or data generated from their ads, which can be customized for individual households.²⁴⁷

- AOLTV was launched by AOL in July 2000. This Internet-enabled, interactive television device allows users to chat, send instant messages and e-mail, shop online, and surf the Web while watching television. AOLTV also offers an interactive program guide and, in 2001, will team up with PVR manufacturer Tivo to offer digital recording capabilities.²⁴⁸
- PBS, in perhaps the most extensive test of the full rich-media potential of ITV thus far, began experimenting with what it calls “enhanced TV” in 1998. In November of that year, a select handful of viewers (all of them employees of PBS and Intel, using PC prototypes equipped with digital TV tuners) were treated to a special version of the network’s two-night broadcast of Ken Burns and Lynn Novick’s “Frank Lloyd Wright” documentary. After watching the video itself, these viewers were able to make their way through some 225 megabytes of material that had been downloaded in the background during the broadcast—taking a virtual tour through three of Wright’s buildings, listening to extensive interviews, and otherwise sifting through the excess footage that the filmmakers made available for the enhancement effort.²⁴⁹

The next generation of teen media culture, then, will be shaped by a set of institutional, technological, and economic forces that are already transforming the media landscape. The merger of AOL and Time Warner in 2000 is emblematic of many of these trends, as that new media giant (combining the world’s largest online service with the most extensive collection of media properties) vows to become what one financial analyst called the “operating system for our daily lives.”²⁵⁰ Or, as AOL Chairman and CEO Barry Schuler expressed it, “...consumers are coming into the Internet more and more. They’re baking it into their lives.”²⁵¹

Consumers may indeed be “baking” the Internet into their lives, but as the recent dot-com doldrums suggest, there won’t be nearly as many free lunches in the Internet’s future. “The free Web was a temporary aberration,” observes Jakob Nielsen of Norman Nielsen Group, a Web consulting firm in Fremont, Calif. “It is just not sustainable.”²⁵² Concludes *Business Week*’s Amy Borrus, “The romantic notion of the early Web as open-to-all cybermarket for ideas and goods has been eclipsed. In large part, that’s because the ads that were supposed to foot the bill for the democratic digital bazaar simply aren’t delivering.”²⁵³ Indeed, advertising revenue, once thought to be the key to keeping the Web free, plummeted in 2000, leading

many analysts to predict a distinctly pay-per-click future. With banner ad response rates a microscopic 0.1 percent, online ad rates may follow the same trajectory as dot-com stock prices, declining to less than a third of the typical \$33 per thousand-page-requests of a year ago.²⁵⁴ “No longer can anyone in this space rely on only one revenue stream,” cautions John Fullmer, CEO of online direct marketer MyPoints.com.²⁵⁵

Business Week sees four specific areas that will form the basis of new premium Net services: (1) Internet access, especially different tiers of high-speed broadband service; (2) analysis of information, cutting through the “noise” of the Internet to deliver expert opinions, reviews of goods and services, and similar value-added data; (3) entertainment, as video- and music-on-demand services migrate from the cable platform to the Web; and (4) specialized services, with upscale e-commerce sites offering members-only assistance to fee-paying clients.²⁵⁶ At the same time, other parts of the Internet will remain free: commodity data, such as news, weather, stock quotes, and sports scores; shopping information, including retail price comparisons and product data; search engines, supported by advertising and placement fees; and purchases (although sales taxes may eventually come to the Net).²⁵⁷

But fee-based or free, the Internet will continue to grow in importance, as both a delivery platform and as a means of communication. Ironically, even as the Internet reaches further into all aspects of our lives, it is also being narrowed and constrained, as it converges with various delivery systems that lack the inherent flexibility and interactivity of the PC. Especially as it migrates to the television and set-top box in various ITV implementations, the Internet faces a critical tradeoff that may forever change its character. For what we gain in speed and simplicity of online access in the new broadband systems (with cable modem download speeds up to 100 times that of traditional dial-up modems), we stand to lose in depth and diversity. The real danger is not that the Internet will become ever more commercialized as it makes this transition into the mainstream media. For that trend, which began with the privatization of the Internet in the early 1990s, is inevitable in any case. The real danger is that in adapting itself for the streamlined, menu-driven interface of ITV, and for the small screens of various portable wireless devices (including phones and PDAs), the Internet will be reduced to a small subset of featured Web sites. In the broadband context, in other words, the World Wide Web will be neither worldly nor wide.

Part of the reason for this narrowing of the Net is technological. The Web, in its present configuration, with its graphically rich, often complex pages (over 2 billion in all), is not well suited to either television screens (which lack the resolution of computer monitors) or to small, wireless devices (which lack the requisite display size). While pages can be translated into versions that conform to either the ITV or the Wireless Application Protocol (WAP) format,

the expense and complexity of maintaining multiple sets of pages is beyond the reach of all but the largest, most well-funded sites.²⁵⁸

But another part of the broadband Internet problem (and the part that may prove insurmountable, absent regulation) is purely economic. Seeking to extend to the online world the same near-monopoly status that it enjoys with video programming in most markets, the cable industry is designing and deploying ITV systems that offer only the *illusion* of online choice. Dubbed “walled gardens” by supporters and skeptics alike, cable’s new “managed-content areas” amount to proprietary versions of “Internet Lite.”²⁵⁹

A few examples from pertinent industry literature suggest some of the ways in which the Internet is likely to atrophy in the cable context. ICTV, Inc., for example, a Silicon Valley company that makes software for the new digital set-top boxes, extends the walled garden metaphor of cable’s closed networks to include “walled jungles” and “fenced prairies.” These virtual gated communities, we’re told, will reach “beyond a proprietary network to content partners on the Web, while circumscribing access to a defined range of approved Web pages.”²⁶⁰ A competing firm, Transcast, promises to create a “seamless consumer experience” online, one in which “each component is branded with the partner’s logo and identity, enabling the partner to promote their brand for the duration of the user’s Internet experience.”²⁶¹ More brazen still is Cisco Systems (the largest supplier of networking hardware and software), boasting of technology that will allow network operators to create “captive portals.”²⁶² These will give a cable system owner “the ability to advertise services, build its brand, and *own* the user experience.” Not to be outdone, finally, is the mighty Microsoft itself, which gets straight to the heart of the brave, new online world. Promising full “walled garden support” with its new TV Server platform, Microsoft raises the specter of “whitelists, blacklists, and auto-generated cookies,” the means, presumably, of determining who gets to see which programming, and under what terms.²⁶³

And just as our access to the Web will shrink to a subset of favored sites and their advertising and content partners, so will the ownership of both online networks and the programming therein similarly contract. As the “dot-com shakeout” continues, we can expect to see an increasingly consolidated marketplace, with fewer companies controlling the most popular Web content. According to McKinsey & Co. analyst Michael Zeisser, only 10 of more than 9,000 companies account for 80 percent of all ad revenue online, as compared to 10-50 percent of companies accounting for 80 percent of ad revenue in other media. Zeisser predicts “a massive wave of consolidation” involving less successful companies, as a result of the highly skewed online economy. An examination of the most popular destinations on the World Wide Web for December 2000 is also suggestive of this trend toward concentration of ownership in

the online arena. Of the top 50 Web and digital media properties, according to Jupiter Media Metrix, the top three (AOL-TW, Microsoft, and Yahoo) attracted more visitors than the next eight combined. And those 11 companies (which included Disney, eBay, and Amazon) attracted more visitors than the rest of the top 50 combined.²⁶⁴ According to Jupiter Media Metrix, the “total number of companies that control 60 percent of all minutes spent online in the U.S. dwindled 87 percent, from 110 in March 1999 to 14 in March 2001.”²⁶⁵ As the Internet makes its transition to the broadband era, these trends toward consolidation, privatization, and commercialization will accelerate.

So, too, will the multifaceted uses to which teens put these several “converged” technologies increase. Teens will continue to “multi-task” in their use of various new-media devices, often viewing, communicating, interacting, and shopping simultaneously. E-mail, voice mail, instant messaging, and other forms of personal communication are likely to remain a key draw for young users. Teens will also find ways to personalize these new devices, with home pages to try out and exhibit their new identities and to share them with the world. Such is already the case with AOLTV, which is of particular interest as a test bed because it offers teens several advantages over the ill-fated interactive TV experiments of the early 1990s. Teens are now able to watch television programs while utilizing the chat and instant messaging features of AOL, and such interactivity will increase as both AOLTV and Microsoft’s new Ultimate TV migrate to the broadband environment. As the *Industry Standard* pointed out, “AOLTV is targeted toward teenagers, who can chat with other subscribers while they watch television—something AOL subscribers already do on their computers.”²⁶⁶ In this context, passive viewers can become active consumers, purchasing products that they see on television with only a few clicks of the remote. Advertising, sponsorship, embedded television-based commerce (t-commerce), and product placements all promise to be prominent parts of the new ITV offerings. Forrester Research predicts that by 2003, 90 percent of the revenues from interactive television will be derived from ads and e-commerce.²⁶⁷

To date, use of the added features offered by digital television (DTV) has been limited, and the majority of digital programming is broadcast in the high-definition (HDTV) format (which only a small percentage of households are equipped to receive). Only recently has datacasting begun to be utilized, in which additional information and interactive features (including links to Web sites) are embedded in the broadcast stream. It is not surprising that NBC designated its Saturday morning teen programming—Teen NBC—as the initial subject of an enhanced broadcasting trial. In December 1999, the network announced its plans to begin broadcasting “data-enhanced” DTV during the fall 2000 television season of TNBC. According to NBC, the datacast will include two data streams of content related to the TNBC programming:

*The first stream [of data] will carry content that is viewable as the show is going on.... That content includes the ability to chat with other viewers, to send e-cards to people, to post to message boards, and to enter "Watch and Win" contests. The second stream will be downloaded directly to the viewers' computer hard drives, for use after the broadcast. Branded as "TNBC To Go," these data files will include interviews with the actors, plus show information, in-depth details of issues raised on the shows, movie trailers, music clips, and even video game demos.*²⁶⁸

By creating two streams of data, one that is accessed during the program and one that can be accessed later, NBC hopes to extend a viewer's interaction with the TNBC programming beyond Saturday morning. According to Jonathan Boltax, director of NBC's Enhanced Broadcast Group, "It's extremely exciting that we can engage our TNBC viewers in things that they enjoy after the show is over. In a sense, they could live in this TNBC universe throughout the week."²⁶⁹ (See "When Worlds Collide: TV Meets the Internet," page 89.)

The Wireless Web

Nor, it is becoming increasingly clear, will teens need to stay at home in order to live in this TNBC universe, or in any other online world, for that matter. For the "wireless Web" is coming, and with it the promise—some would say specter—of perpetual connectivity.

In the near future, teens will access the Internet through a variety of wireless devices. Teens' use of personal digital assistants (PDAs), two-way text paging devices, and cell phones is already becoming much more prevalent as decreasing product and service costs make such devices, once a luxury, more common among teens. Cell phone calling plans offer free nights and weekend time, precisely when teens are most likely to avail themselves of these services. According to industry analysts at the Yankee Group, more than 25 percent of teens regularly use wireless phones.²⁷⁰ By 2001, this market is expected to reach nearly a third of all teens, and other wireless devices, including hand-held PDAs, are becoming equally popular.²⁷¹ Already, teens and young adults are the fastest growing market for wireless technology. By 2004, the number of young wireless users aged 18-24 in the U.S. will quadruple, reaching 43 million users, according to market research firm Cahners In-Stat.²⁷²

Mobile phones, moreover, are being transformed into something that goes well beyond mere tools for communication. They are becoming portable entertainment centers that make it possible to download and listen to music, exchange text messages, play videogames, or surf a version of the Web. In a concerted effort to bring the wireless and Web worlds together,

Voxy.com, an interactive site for teen girls, has launched a new service that delivers a recorded voice-mail message from Jennifer Aniston whenever the popular actress is scheduled to participate in a live chat on the site (generally once or twice a month). Such cell phone marketing is an effective way to reach teen girls, according to Voxxy founder Kristi Kaylor. “The teen girl is a complete multi-tasker,” observes Kaylor. “She’s on her MP3 player while she’s reading a magazine and on the phone with friends. This wireless medium is great. It’s not like just throwing an ad at them. It’s a way to offer a service to our audience, to reach out to girls, wherever they are.”²⁷³

According to *Time* magazine, “There are already some 40,000 Web sites designed specifically for cell phones, many of them truncated versions of regular Web portals.... Much of that content is about sex, sports, sex, astrology, sex, animation, and sex. Some of the most popular sites offer downloadable screen savers or animated avatars to attach to e-mail.... There are sites that navigate train routes, make concert reservations, find restaurants, and follow the stock market.”²⁷⁴ According to Kirk Boodry, a senior analyst at Dresdner Kleinwort Wasserstein in Tokyo, “These are different animals. The fixed-line Internet is about richness of content. The mobile Internet is about reach of content.”²⁷⁵

To date, however, the mobile Internet has not reached very far, largely because of the slow transmission speeds (around 14.4 Kbps, or just a fourth of the speed of most dial-up modems). As a result, less than 1.5 percent of U.S. citizens are on the wireless Web, and even in those parts of the world where WAP-enabled phones are much more common (some 50 million were sold worldwide last year), accessing the Web is rare.²⁷⁶ Wireless Web usage should become much more common with the impending roll-out of high-speed 3G services. According to Jupiter Media Metrix forecasts the number of wireless users in the United States will increase from 4.1 million in 2000 to 96 million in 2005.²⁷⁷

Young people, it appears, will be leading that movement. “Carriers have tapped out the traditional wireless customer—business travelers, 20-somethings, phones for emergency use—all of those markets are tapped out,” explained Knox Bricken, an analyst with the Yankee Group. “For carriers to grow they have to look at new market segments and the teen market is pretty attractive.”²⁷⁸ Because teens are using these wireless devices in entirely new ways, moreover, companies are creating special products targeted specifically at this age group. “I saw kids using wireless in totally unexpected ways...,” observed Talking Drum CEO Vinnie Longobardo. “That’s when I first understood that kids would lead the way through the convergence of communications and technology.”²⁷⁹

“This is the first generation that grew up with a mouse in their hands,” observes Don Wisniewski, president of a wireless games company called Cybiko, who sees game playing as one of the driving forces in mobile phone sales. “If teen-agers are going to be buying it, their parents are going to be buying it as well.”²⁸⁰ Teens’ desire to chat is spawning many new handheld wireless tech products that are designed primarily for instant messaging and chat, but also feature interactive gaming, Internet access, digital picture and music storage, and personal information management. Such new products include Cybiko, Vtech Helio, W.A.V.E. Link, e.chat, e*Brain, and my.data, all devices that range from \$30 to \$180 and perform multiple functions.²⁸¹ Among the most popular is Talking Drum’s effort “to tap deep into the teen lifestyle.” “It offers a hip cell phone with an embossed scarab on the flip cover, cheap calling plans (starting at \$29.99), and clique-friendly features like Blast, which allows for five-way calling. There’s also Mojo, a voice-recognition system featuring rapper Kool Mo Dee.”²⁸² According to Bricken, teens are “an undertapped, tech-savvy market with a high level of discretionary income. They are what we consider the true pioneers of land-line displacement. The younger generation is used to being mobile all the time, whereas adults are used to making a telephone call from a place. Younger people think about calling a person, not a place.”²⁸³

The business applications that drove the initial wave of interactive Palm Pilots and similar PDAs are now being supplemented by all manner of leisure-time and flexible, Net-based programming, including material directed specifically at teens. Content from the popular teen TV program “Dawson’s Creek,” for example, is now accessible via hand-held devices (using Palm and Windows CE operating systems) and Internet-enabled phones, and more teen-targeted content is being produced to increase the consumption of these devices. “We think ‘Dawson’s Creek’ is a show that can help drive adoption of this [PDA] technology by teens,” observes Tim Chambers, Columbia TriStar director of technology and production.²⁸⁴ Other teen-oriented content providers, including gURL.com, Alloy, Bolt, and dELiAs.com, are offering teens access to news, events, and shopping information via cell phones and pagers.²⁸⁵ Whether such twenty-first-century “text bytes” prove as inimical to our culture as twentieth-century “sound bytes” were to our political climate remains to be seen. But the truncation of the Web into more manageable morsels of information seems inevitable. “With a mobile phone, people don’t have much time to read through a lot of data,” explains Keiichi Enoki, one of the creators of I-mode, the popular mobile Web service in Japan. “We thought people would want bursts of information while they are on the move.”²⁸⁶

Marketing and Data Collection in the New Digital Environment

If communication and interactivity hold the key to teen usage of the new media, *monitoring* these activities—collecting and analyzing teen behavioral data online for the clues they provide to the growing youth market—appears to be the key to understanding the companies that seek to exploit this market. The new media, unfortunately, precisely because they *are* new and because they engage users in so many new ways, are rife with opportunities for marketers to sift through the digital footprints we leave behind and to compile detailed profiles of our habits, tastes, and interests. And, in conjunction with other, offline data aggregators, our vocation, income, address, family ties, and other personal data will be added into the mix.

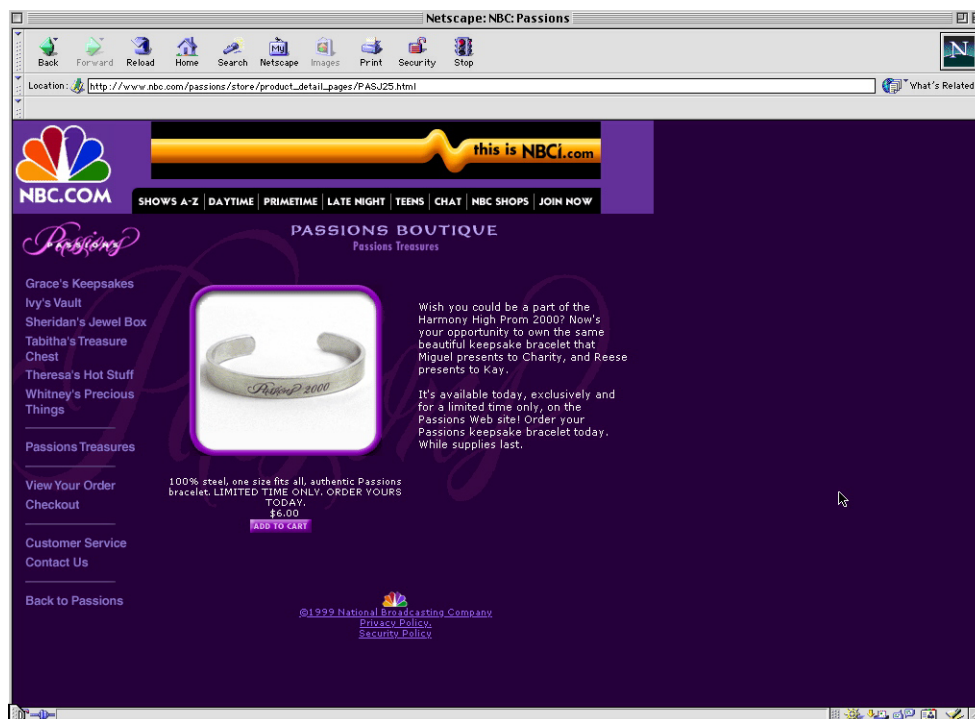
In some cases, in fact, it won't even be necessary for marketers to track our digital footprints. They'll already know precisely where we are (even if we don't). Thanks to a mandate by the Federal Communications Commission (FCC) to enable the locating of people who dial 911 on their cell phones, new wireless devices will include location-positioning technology.²⁸⁷ It seems likely that marketers will make more frequent use of the technology than emergency response teams, however, sending ads and coupon incentives to PDAs, cell phones, and other wireless handheld devices in an effort to exploit the new mobile-commerce market. According to one enthusiastic industry report, "Wireless Web companies are enthralled with the idea of m-commerce, as it's being called, because it puts customers in their crosshairs. Passing a Starbucks? Why not stop in and take advantage of that special offer that just popped up on your screen? Get a free muffin with your Frappuccino. This sort of 'push' advertising is seen as the ultimate in consumer marketing."²⁸⁸

Advertising will play a more prominent role within our homes, too. The increased use of advanced set-top boxes—Forrester Research estimates that by 2005 more than 55 percent of U.S. homes will be equipped with digital set-tops—will have a revolutionary impact on the advertising world.²⁸⁹ Exactly how advertising will change is still to be determined, but possible paths include the growth of product placement, the development of interactive advertising, and the facilitation of television-based t-commerce.

Although the full potential of interactive advertising is still years off, some implementations of these new trends have begun to appear. The examples we examined indicate that the one-to-one marketing paradigm that proliferated on the Internet is beginning to shape interactive TV advertising as well. This personalized and specifically targeted advertising and content is the wave of the future, as indicated by the growing number of businesses developing different products to entice advertisers to use their services. "Advertisers will value the ability to more directly target their potential customers, and will profit from the increased control and flexibility

interactive advertising offers,” predicts ITV software vendor Lysis. “The ability to offer direct connections to prospects, and complete a sale with an integrated on-line transaction, will revolutionize the television advertising business. All this will provide opportunities for existing cable multiple system operators (MSOs) and broadcasters—in addition to scores of new companies that will join the gold rush to capitalize on the potential of this new form of highly targeted advertising.”²⁹⁰ One of the companies taking part in this gold rush is Metabyte Networks, whose set-top box technology creates an “MbTV thumbprint” of a household’s TV-viewing tastes, and then automatically records programming (and advertising) that it believes will be of interest to that particular household. “Personalization solutions,” explains Metabyte CEO Manu Mehta, “will address what is becoming the ultimate bottleneck—bandwidth to the brain. Personalization solutions like MbTV will provide television viewers with content of interest to them, rather than content of interest to the general population.”²⁹¹ More to the point, products like MbTV will provide advertisers with viewers whose compiled tastes and preferences match particular companies’ product and service offerings.

Already, “low-tech” previews of onscreen cross-promotion, combining the separate media of television and the Internet, are laying the groundwork for their convergence in the future. In July 2000, the daytime soap opera “Passions” combined the availability of TV-promoted e-commerce with an in-show product placement. Following an episode in which a group of teenage characters received bracelets commemorating their high school prom, a post-show promo encouraged viewers to log on to the show’s Web site to purchase a similar item:



*Passions Prom 2000 is here, and you can join in on the fun. It's another Passion's Web site bonus... You can have the Passions 2000 bracelet for your very own, just like all the girls at Harmony High. To find out how you can get our Passions bracelet, go to nbc.com/passions.*²⁹²

With an interactive television, the viewer could simply click on the bracelet to purchase it while watching the program.

Other practices, emerging from a number of ITV pioneers, will also shape the future of television advertising. One common practice is to enhance commercials with an interactive component that either prompts audiences to request more information (thereby submitting personal information that can subsequently be used by marketers) or provides purchasing incentives, such as coupons or gifts. For example, RespondTV has partnered with FreeSamples.com to offer the delivery of free samples to users who request more information from an advertisement (by pointing and clicking with a remote control).²⁹³ This style of interactive advertising illustrates the potential for interactive television to converge direct marketing and data mining—especially since FreeSamples.com, Inc., which describes itself as an interactive marketing service and “consumer knowledge” company, allows brand managers to target sample distribution, collect actionable information, and establish one-to-one marketing relationships with those consumers most likely to become “brand loyal.”²⁹⁴

Another example demonstrates how this model for advertising could be aimed at younger audiences. During the holiday season, RespondTV employed interactive advertising in a series of Coca-Cola commercials. The spots were computer-animated and included the “Polar Bear Twins”—mascots that have appeared in Coca-Cola commercials during several holiday seasons. When a viewer clicked on the ad through a compatible set-top box, RespondTV servers responded with interactive content, asking if the viewer would like to receive a free stuffed animal. When RespondTV received the viewer’s reply, it transmitted it to Coke for “processing.”²⁹⁵ In this manner, such interactive advertising creates a new form of branded environment. And it appears to be one that is effective. In 1999, WebTV teamed up with a San Francisco-based UPN channel to offer an interactive advertisement for Domino’s pizza during a “Star Trek” marathon. When the promotion aired, users were presented with the opportunity to purchase a pizza online using their WebTV device. Of the 1,000 WebTV viewers who participated in this trial, 230 responded to the ad, with 140 completing a pizza purchase.²⁹⁶



As technology changes both the television viewing experience and the nature of television advertising, it will create more opportunities for the collection of users' personal information and viewing behavior, and for the subsequent "mining" of this data.²⁹⁷ This, in turn will fuel the proliferation of individualized, tailored content and specifically targeted advertising in this medium. The collection of personal information is already changing the nature of advertising. With interactive advertising, whether through a Web site or ITV, content providers no longer simply sell eyeball time to advertisers. Instead, they are selling more detailed information that can be used to market more effectively to specific audience members. Armed with such data, broadcasters and advertisers will be able to target consumers with tailor-made ads.

In some instances, broadcasters will not even need to ask any questions in order to create a customer profile, as digital set-top boxes can be assigned numbers that allow the broadcaster, or a third party, "to determine what is watched on the set, when, and for how long."²⁹⁸ The technology would also allow the broadcaster to "gather data on how long [viewers] spend on which show, whether they link from the TV show to a Web Site, and even what they click on at the site."²⁹⁹ All this information can be used to create valuable customer profiles for targeted ads. According to some analysts, the combination of collecting information and using it to target ads to viewers presents a money-making opportunity akin to "'direct mail on steroids,' where advertising is matched so precisely to the profiles of likely purchasers that response rates routinely exceed 20 percent."³⁰⁰ In the process, the privacy concerns that have been raised by Web marketing will affect ITV as well, and legislation has already been introduced that attempts to reconcile the various communications platforms with our basic rights of privacy.³⁰¹ "But attempts to tailor privacy bills to the Internet won't be easy," cautions Michael Grebb in *Multichannel News*, "considering that most businesses, including cable, have woven the Web into just about everything they do."³⁰²

The implications for younger viewers, who are growing up in an overwhelmingly commercialized media environment, will be profound. No longer subjected merely to discrete "words from our sponsor" that traditionally distinguished programming from sales pitch, today's youth will inherit a media system that is thoroughly suffused with commercial activity—much of it disguised as "personalized" service. And when this targeted, interactive marketing and promotion reaches across several platforms—from film and televised entertainment to networked PCs, PDAs and other information and communication devices—the prospects for *unsponsored* speech, for civic discourse and noncommercial content that lack these economic incentives, will be diminished accordingly.

When Worlds Collide: TV Meets the Internet

Of all of the synergy that the celebrated convergence of old media and new was supposed to generate, surely the most fitful and erratic has been that of the marriage of television and the Internet. "Hollywood hasn't grasped the fact that television and movies are completely different than this new medium called the Internet," observes Stacey Herron, an analyst with Jupiter Research in New York. "It's not as simple as taking their stuff and dumping it online."¹ Unfortunately, with a few notable exceptions, there has been a lot more "dumping" than dynamism in television's use of the Web, which more often than not is reduced to a public relations vehicle for network shows. To understand how this phenomenon relates to the teen demographic, CME conducted a study of the Internet presence of broadcast and cable programming targeted at teenagers.

Despite the changing technological landscape and the proliferation of computers and Internet in many homes, children and teenagers still spend the greatest proportion of their leisure time watching television.² American adolescents are using the new media to complement their television watching, and heavy viewers of television tend to be heavy Internet users.³ An MTV study indicates that 70 percent of its viewers frequently watch TV and use the Internet simultaneously. Not surprisingly, entertainment sites (television, movies, music) are the most popular category among children and adolescents.⁴ Entertainment companies have been quick to capitalize on this television-Internet symbiosis among adolescents. Most regularly scheduled television programs now have an Internet site, either through the network that presents the program, through the parent production company, or both.

CME analyzed new or continuing regularly scheduled programs that are specifically targeted at teen and young adult viewers (excluding syndicated programs) on major networks (ABC, NBC, CBS, FOX, WB, UPN) and two cable stations (MTV, BET).⁵ Our analysis focused on three basic characteristics of the Web sites:

Information: At the most basic level, are there descriptions on the Web site that provide the visitor with basic information about the program's themes, episodes, and its stars and characters?

Interactivity: Are there components of the Web site that allow the visitor to interact in some manner with the program, or with other users of the Web site, through e-mail, games, chat rooms, or message boards? Are there things that the visitor can "do" that affects either the program or the Web site?

Investment: Other than basic information or interactive components, are there features of the site that are designed to increase the visitor's investment in the program's story line, characters, or stars? For example, can navigators to the site download pictures, screensavers, or send e-cards to friends? Can fans find out about music, products, news, or special events to which only a Web visitor would have access?

While the amount of information provided and the degree of investment elicited varied considerably among the 67 sites surveyed, the level of interactivity on most of the teen TV Web sites was modest. Of the sites that included character descriptions, for example, many allowed the navigator to click on pictures of the characters to link to the descriptions. MTV's "Real World" included the characters' likes and dislikes, their history, and a personality profile. ABC's "Once and Again" listed the characters' favorites (food, music group, movie, etc.) as a way of introducing them to viewers. ABC soap operas contained trivia and matching type games, while "Buffy the Vampire Slayer" contained an interactive game. On the "Daria" site, teens can win prizes playing a trivia game, including the possibility of being written into the script of the animated program itself.

Much more ambitious was the interactivity on two MTV game shows, "webRiot" and "Say What Karaoke." The former combines an on-air game with a simultaneous online version, attracting some 2 million home players during the past year.⁶ "Say What Karaoke" also allows visitors to play an online game, with the winner being chosen by other players in the game. In other instances, players can download games onto their computers from a Web site free of charge.

Another level of interactivity is offered by those sites that include chat rooms and message boards. In most cases these are given over to general (and often aimless) conversations about personalities and plot lines, but in some instances visitors are asked to ponder specific questions. On ABC's "Boy Meets World" chat room, for example, visitors were asked to voice their opinion on the decision of two of the young characters to wed. Another approach was that of FOX's "Get Real" Web site. In the course of the season, when one of the young characters became sexually active and began taking birth control pills, the site contained a link to a nonprofit family planning site, which asked viewers to express their views on how the program handled the topic.

Various polls and quizzes also attempt to engage users, with mixed results. On MTV's "House of Style" Web site, users can vote on each week's style question. Viewers of the "Tom Green Show" can vote on which clip is the most ridiculous, while viewers of "Senseless Acts of Video" can rate videos for flair, insanity, and other characteristics. On MTV's "Beat Suite" site, the best answer to a quiz question is chosen each week and read on air. Before each new episode of "Celebrity Death Match" is aired, three questions are posed. Viewers compete for points in answering these questions, with the winner having a clay figure modeled in his or her likeness at the end of the series.

Again, MTV programs proved to be the most imaginative in their efforts to solicit viewer input. On "The Blame Game," a game about romantic break-ups, viewers can submit their own break-up stories, the best of which are presented on the Web site. On "Celebrity Death Match," visitors can send in suggestions for the Claymation fights that they would most like to see. Similarly, one can submit a dare to "Senseless Acts of Video," or pose questions for the stars of "Fanatic" to answer. On a more serious note, viewers can submit questions to "Loveline," a talk show about sex and romance. Because this program deals with sensitive and potentially embarrassing topics, the online-submissions format might be especially useful for those wishing to have important questions answered while maintaining anonymity.

A few of MTV's music video programs allow viewers to send in dedications ("MTV Jams") or to write why they love their favorite songs ("Total Request Live"). About a third of the sites surveyed showcased music that was played on the program or contained links to such music. Most of the music programs on MTV include video clips to download using RealPlayer. Other non-music programs have musical excerpts from the program available for downloading, or have descriptions of the CDs or artists showcased on the program. Many also had links to other sites where one could buy such music.

In just over a fourth of the sites, additional information was provided (e.g., concerning characters, story plots, photos, clothing and make-up tips) that was not discussed in the program itself. On MTV's "Daria" site, "The World According to Daria" section offers Daria's opinions on a variety of topics. MTV's "House of Style" offers additional fashion advice and news. "Making the Video," an MTV program that takes the viewer through the creation of a music video, includes on its Web site a section that discusses how the singer felt about making the video, the meaning of the song, and special stories connected to the song. The "Real World/Road Rules" characters discuss what it's like to be on the program and answer other questions about their lives. On the "Return of the Rock" Web site, one can download a clip of a video not shown on the air, and the "Tom Green Show" Web site allows one to download exclusive footage of programming that had not been aired. On ABC's "Boy Meets World," there is a wedding photo album and a video greeting from the characters discussing the wedding. NBC's "Passions" allows navigators to read a diary of one of the cast members. In general, then, the teen TV Web sites mirror the programs on which they are based. As such, they tend to be as superficial in character and plot development as the televised originals.

Far and away the most imaginative and creative site is DawsonsDesktop.com, created by Sony Columbia TriStar as a companion to the popular teen television drama "Dawson's Creek."⁷ Launched during the second season of the show, the Web site was designed to replicate the personal computers of the show's four main characters, with a different desktop featured each week. "Ever wish you could see inside someone's computer?" the site asks, continuing,

Someone like one of your favorite characters on Dawson's Creek? Well, here's your chance! Each week one of four different desktops appears here—Dawson's, Joey's, Pacey's or Jen's! Between the episodes, you can delve into their journals, e-mails, Instant Message chats—even their trash cans! Just click "Go" to enter. Once you're on the "desktop" you can click on any of the icons, or just click "Begin." Like on your own desktop, there are many ways to navigate. And since Dawson and his friends are often online, there's something new every day!⁸

In the words of the *Wall Street Journal*, the site is "a voyeur's paradise where every day brings a new tidbit about the show's lead characters... It offers original content as well as plot lines and character development that run parallel to the show. That mix is key, since fans have to shuttle back and forth from show to site to make sure they don't miss anything. The more fans get involved in the site, the more they watch the show."⁹

Early in the third season, an episode entitled “Homecoming,” which aired on the WB network on October 6, 1999, featured a scene in which Dawson presented a necklace to Joey, his ex-girl friend and current best friend, as a symbol of their friendship. Shortly thereafter, the weekly e-mail newsletter produced by Sony featured the following announcement:

Own Dawson’s Necklace!

You asked for it and now it is available... Dawson gave his necklace to Joey last week and now you can own the exact replica. Preorder yours today.

AVAILABLE FOR SHIPMENT 10/22

Give one to your Dawson or Joey <http://www.spe.sony.com/store>¹⁰

Directed to the Web site by the advertisement in the e-mail newsletter, fans were presented with the opportunity to purchase their own replica of Dawson’s necklace for \$12.99.¹¹

While the necklace was not mentioned again in the television show for some 18 months, it continued to be addressed in both the e-mail newsletter and on Dawson’s Desktop.com. In the May 23, 2000, edition of the Dawson’s Creek “Scoop”—published the day before the season finale in which Joey had to pick between Dawson and her new love interest Pacey—the necklace was once again a topic of discussion:

So who will Joey pick (of course she says she doesn’t want to pick)??? If she picks Pacey do you think Dawson will want his necklace back? If she picks Dawson will she start to wear his beloved necklace? So many questions about Dawson’s necklace. Did you know that The Sony Pictures Studio Store is the ONLY place that YOU can get a Dawson Replica Necklace?

Get the gift for your soul mate @ <http://www.spe.sony.com/store/dawsonindex.html>¹²

A few weeks later, after the show had gone into summer reruns and the Web site had launched its “Summer Diaries,” the necklace was once again referenced, this time in Joey’s personal diary. After choosing Pacey and setting sail with him for a summer adventure, Joey wonders if Pacey is upset with the fact that she still has Dawson’s necklace: “Pacey actually made this ring for me out of a shell he found on the beach... I think really the reason [Pacey made the ring] is that he doesn’t like the fact that I have the necklace Dawson gave me.”¹³ The necklace was once again featured in the newsletter around the time of the one-year anniversary of the necklace episode, before reappearing on the show itself six months later (this time as a gift from Joey to Dawson’s mother).¹⁴ However trivial this example may seem, the references to Dawson’s necklace in both the television show and the Web site are examples of the ways in which advertising and editorial content have merged, and of how the Internet presents users with the opportunity to purchase items advertised in the content of the show and Web site.

Advertising has been integrated into Dawson's Desktop in a number of ways, including banner advertisements, Web site "bookmarks," and e-mails to Dawson from Internet companies. For example, the October 4, 1999, edition of Dawson's Desktop featured a number of such advertisements, including banner ads for freeagent.com and globelist.com, and bookmarks/desktop links to sites for Starburst, Pringles, the Sony Studio Store, and Showtime. In addition, Dawson's e-mail inbox included a message from amazon.com confirming his order for Jon Krakauer's book, *Into Thin Air*.¹⁵ "Madison Avenue has taken full advantage of the site as a venue for virtual product placement," concludes the *Wall Street Journal*.¹⁶