

Chapter X

Access to the Living Room: Triple Play and Interactive Television Reshaping the Producer/ Consumer Relation

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Abstract

Whereas the advent of interactive TV has been discussed as one of the key added values of digitization and convergence of "old" and "new media" for years, current marketing strategies of the big players in the Dutch telecommunications market avoid the term interactivity. Providers promise users "more fun" and increased ease of media consumption when connected digitally to the media world by offering broadband Internet, cable television, and telephone services in one package. They aim at another added quality of interactive media consumption: gaining access to the living room means gaining access to consumption patterns that can be traced back to the individual consumer. This article discusses media convergence and the current development of interactive television in the context of the reconfiguration of the relation between producers and consumers in the new online economy.

Concepts of Interactivity

For almost three decades, one magic word has dominated professional and public debates on the future of television: *interactivity*. The story goes that when finally provided with a return channel, our “good old television” would become a true means of real two-way-communication. Viewers would not only compose their own program schedules, watch any program at any time, get more background information, and do their shopping at home, they would also contribute to and participate in programs and would even become directors themselves. Although the first field tests of interactive television services in the U.S. in the 1970s, then still based on analogous technologies, failed (Richeri, 2004), and although audience research in the early 1990s still showed that the average public was not ready for interactive television programming (Berghaus, 1995), the industry’s expectations remained optimistic, especially since the introduction of the Internet in the early 1990s; progress in digitization and compression of audiovisual information; and household’s fast growing computer and broadband penetration. The convergence of television and computer-based communication technologies would help to finally disseminate the envisioned interactive television or multimedia system (Owen, 1999; Van Vliet, 2002).

This vision of the industry was echoed by a new brand of media theory that in the name of technological potentials of new media uncritically promoted a fundamental transformation of traditional power relations that were inherent to “old-fashioned” broadcast media and their traditional forms of mass communication. For example, Pearce (1997) praised this “interactive revolution” in a McLuhanian style:

The interactive revolution is [...] about creating machines that extend our mental and creative faculties, that enable us to store, manage, and most important, share massive amounts of knowledge on a global level. It is about using powerful tools to create our own educational and entertainment experiences rather than passively accepting that which is fed to us by so-called experts. It is about the dissolution of boundaries and the translation of all thought into a common vocabulary. Binary code is the digital Esperanto that is leading concurrently to individual empowerment and worldwide unity. (p. xvii)

According to this view, the New Media technologies would fundamentally transform the relation between producers and consumers. Through interactive media, consumers would increasingly gain control of the means of production and distribution, contribute to public opinion, and participate in cultural production

processes. Interactive media would help to empower the, by then passive, media consumers and transform them, as the argument goes, into active “prosumers” (Toffler, 1981).

Pearce’s (1997) view can be characterized as a quite extreme example of what Boddy (2003) has called the “polemical ontology” (p. 191): the ideological self-promotion of a new medium that highlights the technological features and social advantages of the new medium and, at the same time, disparages those of the old media. In the past few years, this utopian view has been challenged by more critical if not dystopian accounts of New Media (Andrejevic, 2003) and especially by the development and introduction of interactive television. As Kim (2001) and Kim and Sawhney (2002) argue, the concepts of interactive television as envisioned by firms rooted in the traditional television business do not sufficiently take advantage of the new possibilities interactive technologies provide to extend the user’s control of mediated communication. On the contrary, according to Kim and Sawhney, interactive services such as enhanced television, video-on-demand, or Web TV as developed by the TV industry cannot be regarded as “interactive” at all. These services fail to realize the “inherently” participatory, empowering, and democratic potential of the new computer-based communication technologies:

[...] interactive TV requires television to change its historically and culturally built-in centralized character. Due to this built-in bias, the TV communication model limits interactivity to mechanical transactions, while the center retains in control. In interactive TV, ‘interactivity’ is artificially grafted onto TV without taking into consideration the contradiction between interactivity and TV. (Kim & Sawhney, 2002, p. 224)

This view obviously implies a normative definition of the concept of interactivity and subsumes that there are inherent qualities of a technology as such. Like many other scholars, Kim and Sawhney (2002) define interactivity in qualitative terms as the radical sharing of power and control between producers and consumers in mediated communication (Jensen, 1999; Pearce, 1997; Rafaeli, 1988)—a quality that has to be unfolded when interactive television is developed. But as numerous studies of technological innovation have shown, technology is constructed in a social environment and thus shaped by the economic, political, and cultural contexts in which a technology is developed, realized, and introduced (Bijker & Law, 1992; Williams, 1974; Winston, 1998). In an international survey of producers’ and developers’ concepts of interactivity concerning the new interactive technologies, Van Dijk and De Vos (2001) have shown that the concepts of experts working in television-based industry differs significantly from those experts affiliated with the world of the Internet. Television defines

interactivity “as an extension of current TV with a number of additional facilities” (p. 457), while interactive applications on the Internet are associated with the transformation of the television viewers “into users and producers of audiovisual programs, or into more active participants in e-commerce by making continuous price comparisons and by offering products themselves” (p. 457). Depending on different business models, different concepts of interactive TV are developed. Considering the economic, political, and cultural power of the established transnational media firms that invest massively in the growing online economy, and engage in the development and exploitation of interactive services and applications, their concept of interactivity will increasingly shape interactive media technologies and, as a consequence, reconfigure the relationship between producer and consumer in the media and communication market. In the following paragraphs, the launch of the Windows Media Center and the competition of the distributors of digital television on the Dutch market will be discussed as two indicators of this reconfiguration.

Targeting at the Living Room

When Microsoft launched the Windows XP Media Center Edition 2005 in the beginning of 2005, the magic word that for decades propagated the key-added-value of new digital media in public and scholarly discourses did not show up even once in Microsoft’s Dutch marketing campaign. Instead of promoting “interactivity,” the company chose a more accessible value in simply promising: “It’s more fun.” On Microsoft’s Web site, the advantages of the new system software are explained in the following tempting words:

Microsoft Windows XP Media Center Edition 2005 lets you do everything other Windows XP PCs do—and a whole lot more. Browse the Web, play your favorite PC games, e-mail and instant message your friends, and install and use programs designed for Windows XP. Media Center also delivers a powerful yet familiar way to enjoy all of your digital entertainment—photos, music, TV, movies, home videos, radio, and a world of applications and services whether you’re sitting in front of your Windows desktop or across the room with a remote control. Media Center is your all-in-one PC and home entertainment center. (<http://www.microsoft.com/windowsxp/mediacenter/evaluation/features.msp>)

The same is true for Hewlett Packard’s (HP) marketing campaign of its new Media Center PC that was released at the same time, dovetailing with Microsoft’s

new version of the system software. The Dutch folder for HP's Media Center PC shows four young people sitting on a huge designer couch in front of a big flat screen television enjoying the new possibilities of the Media Center. One of the male participants points to the significant start menu on the big TV screen with its standard options that suggest a personalizing character of the applications: Online Spotlight, My Videos, My Pictures, My TV, My Music, More Programs, and so forth. The text praises the following advantages of the Media Center PC:

HP introduces the HP Media Center for the living room. TV and stereo, your pictures and films, Internet and many other technological triumphs all in one set. Operated by only one remote control and a very easy accessible menu on your television screen. The whole family will enjoy anything that home entertainment offers to you. That's what we call Digital Entertainment. (Hewlett Packard, 2005, p. 1)

The marketing campaign of a Dutch computer brand adapted this model of addressing the consumer in terms of the accessibility, ease of technical handling, and the promise of personal entertainment. As the flyer for the Paradigit Enjoy TV 2005 promises:

The Enjoy TV 2005 transforms your living room into the ultimate media center. In one top designed system you'll combine the best of a computer and home entertainment! Beyond that, the Enjoy TV2005 is noiseless. All your photographs, videos and music documents will be accessible from your couch. You'll be able to pause and rewind all your TV programs 'live.' Programs to be recorded, you'll chose in the online program guide by pressing just one button. (Paradigit, 2005, p. 1)

By deliberately avoiding the term *interactivity* and replacing it with concepts like "fun," "entertainment," or "easy handling," these marketing campaigns obviously aim at a more and more crucial target: the living room as the headquarter of a family's media consumption. The Media Center PC is designed to replace different analogous hardware systems such as the stereo and VCR, by *one* computer. This central computer is not only used to digitally store and manage a family's music, photos, videos, and computer games. Logged on to the Internet, it also allows e-mailing, surfing on the Internet, e-banking, online shopping, and so forth. It can be used for Internet information retrieval as well as for downloading any information, service, or entertainment product required. Although in technological terms it is not necessary to login when starting up the computer, using a Media Center PC would practically imply that the user will be

connected to the Internet at any moment that they are engaged with media. The Media Center software is designed in such a way that listening to music, watching “regular” television programs, or archiving photographs would mean that the user *is* connected, unless he or she actively changes the default options of the software. For the industry this is not only a prerequisite in terms of exploiting online services and e-commerce, but according to experts the interesting fact arises that whenever the consumer is connected to the Internet, any act of consuming a media product or an online service can be monitored, registered, and related to the individual’s profile. As Bertelsmann Group media consultant Carel Mackenbach explained bluntly in a Dutch TV documentary on the future of the media market, this data is the target of the media and communication industry:

If you look at the big international media concerns, be it Bertelsmann, AOL/Time Warner, or Vivendi: these are global players that engaged in television, radio, and print at the same time, and right at the moment there is a battle for the consumer going on in The Netherlands and in Europe. All these concerns are investing in pan-European databases of consumer profiles on a large scale. The following generation of consumer databases does not just register names, addresses and more or less accidental subscription of a daily newspaper, it registers behavior like what you think about certain topics, when you buy goods or when you require a financial service of a certain type or when you plan to change your telephone provider and what the reasons are to do so. (Rottenberg, 2005)

Compared to data utilized by traditional audience research such as the Nielson Media Research, the “new generation” of data Mackenbach (Rottenberg, 2005) refers to is of special value for providers and advertisers. These data not only register patterns of media and consumption behavior, they can be related to profiles of individuals. An individual user’s phone numbers would be accessible to the provider when the user has subscribed for all three services, Internet, television, and telephone, the so-called triple play or “multi play.”

Although regulations and privacy legislation do prohibit the industry from registering such personal data, the example of Californian-based provider and distributor of personal or hard disk recorders TiVo clearly shows that there is no technological problem in doing so. In the U.S., TiVo is a widespread brand of digital video recorder that not only allows users to capture television programming on internal hard disk storage for later viewing, it also registers viewing habits and program preferences of the individual viewer in order to help him to “personalize” the overall television programming: a TiVo preselects and records a user’s preferred programming and alerts the viewer when a preferred shows

is on. Therefore, these digital video recorders are also known as “personal video recorders.” The crucial difference between this and average hard disk recorders that have been marketed in the last few years all over the world, is that a TiVo must be connected via a telephone line to the provider that not only sends the program schedule to the hard disk of the user, but also registers his or her viewing habits. As Martin (2001) has convincingly shown by analyzing the log files automatically transmitted from the individual TiVo box at home to the TiVo headquarters, these files not only tell down to the second what has been watched, which commercials have been skipped, and what moments have been rewound and played again. According to Martin’s (2001) findings, TiVo:

gathers enough information to track back individual user’s home viewing habits while apparently promising not to do so; could identify the personal viewing habits of subscribers at will; has a much more explicit privacy policy disclosure on its Web site than in the printed material that accompanies the purchase of the product. (p. 2)

Though TiVo spokespeople admit that TiVo could investigate an individual’s viewing habits, they recurrently deny that TiVo would do so (Charny, 2004). However, taking Carel Mackenbach’s statement into account, the long term strategy of cable distributors, telephone companies, and Internet providers is obvious: gaining digital access to the living room means access to an enormous capital in the online economy, by providing information about individual user’s consumption habits (Rottenberg, 2005).

Only against this background can one understand the enormous competition in the Dutch telecommunication market that arose in 2004 when the former national postal and telephone company, KPN (Royal Dutch Post) launched the first set top box in the Dutch market for terrestrial digital television broadcasting. As the former national telephone provider, the KPN has traditionally held a strong position in the market of (mobile) telephony and broadband Internet. Yet since about 96% of television broadcasting is distributed regionally by commercial cable companies, only a few public channels are broadcasted terrestrially and there is no significant satellite penetration (Koetje, 2003), KPN would miss television programming as an indispensable part of a future triple-play strategy. Media experts expected—then and right now—that by means of new media technologies replacing the good old “telly” in the living room, one could get the economically crucial access to the average family’s living room, since television was and still is the most frequently used domestic medium.

The competing cable distributors took their chance and denied KPN access to cable distribution, while getting the coaxial cable system ready for broadband Internet, analogous and digital telephony and for digital television distribution for

themselves. In neighboring countries such as Flanders, the government forced entrepreneurs to agree on one common standard accessible for digital encoding for any provider (Baaren, 2006). In Germany, public and commercial broadcasters defined one standard for terrestrial digital broadcasting (DBV-t). However, in The Netherlands, the Dutch authorities defined neither a common standard for digital broadcasting, nor one for terrestrial, cable, or satellite distribution. The result of this neo-liberal policy is that besides the KPN there are other competitors on the market offering television via the cable—each using its own exclusive standard to encode the digital signal: cable television companies that formerly operated only regionally such as Casema and Essent, but also UPC and Versatel, two competitors that operate nationally (Gorter, 2005, pp. 28-29). Some of these and some new competitors prepare digital television distribution via the next generation of broadband Internet (ADSL-2); each company making use of its own standard and thus set top box, respectively smart card, offering its own, exclusive package of TV channels via Internet Protocol Television.

According to market research held in June 2005, a total of 30% of the Dutch consumers said that they were interested (19%) or might be interested (11 %) in subscribing for a triple-play package to get digital television, broadband Internet, and telephony for a relatively cheap price (Heliview Nieuws, 2005). However, the competing companies use different standards to gain exclusive access to the living room. Their strategy is based on the expectation that in the long run exclusive access will be the gold mine of the online economy. As the former owner of one of Europe's biggest independent television production companies, John de Mol, revealed in a television interview in August 2005, providers would invest 1,500 euros for any consumer subscribing to digital television. John de Mol had just launched a new television channel called TALPA on the highly competitive—and according to experts saturated—Dutch television market. TALPA is De Mol's second attempt to conquer Dutch television. His first attempt to market a commercial sports channel failed within only a few months, when too few viewers subscribed (Maarsen, 1999, pp. 108-123). As opposed to this short-term strategy targeting a niche market, John de Mol's new TALPA enterprise is designed as a family channel. As a business plan it only makes sense when seen as a strategy that anticipates the crucial transformation of the television market in the context of a developing online economy.

At the moment, De Mol's TALPA is broadcasted as free-TV and accessible via all television providers within the Dutch market. It is part of the various analogous or digital cable TV packages and can be received digitally via satellite (CanalDigitaal) or terrestrial (KPN Digitenne). But there is one significant exception: UPC's digital television package does not contain John de Mol's TALPA that owns the exclusive rights for live broadcast and other coverage of the national football competitions. As everywhere in Europe, coverage of national football has been the most attractive programming for decades. De Mol,

who up until 2005 held a total of 42% of the Versatel stocks, cooperates closely with Versatel, whereas UPC is next to the regional cable distributors, Versatel's fiercest competitor on the market of digital TV and triple-play packages. In the long run, TALPA will only be accessible for subscribers of exclusive digital TV packages or as pay per view, as De Mol honestly announced in a TV interview on the occasion of TALPA's release. According to his strategy, TALPA's exclusive national football coverage would help TALPA and thus Versatel too, to achieve a dominant position in the Dutch television market. De Mol's enormous investment in his new television network is not just the realization of the multi-millionaire's old dream of owning a television channel, but follows a well-calculated economic strategy aimed at the business model of future interactive television. Television functions as a portal that not only provides exclusively access to the living room, but also one that cashes in on and registers any form of (media) consumption.

Corporate Industry's Redefinition of Interactivity

Although the Dutch television market has nationally specific characteristics, the business strategies of the Dutch television industry can be seen as an example of international developments. Television is no longer developed and marketed as a distinct medium, but is part of a media center in the living room that gives users access to many different types of media and other forms of consumption. At the same time, it makes the living room accessible to the industry in terms of consumption patterns and consumption behavior. Both an individual's actual consumption and the data registering these acts of consumption as a personal profile are cashable, and thus form the economic sources for media concerns in the online economy. Whereas the promise of interactive TV and the new interactive media was that the user would gain control of media communication, these developments point to a reconfiguration of the relationship between the industry and the audience that can not be correctly described in terms of "participation" or "empowerment" of the user as active citizen. In his fundamental critique of the new online economy Andrejevic (2003) describes this redefinition of the relationship between industry and users in terms of an increasing exploitation of the users' consumption:

Interactive media are rapidly being assimilated into an economic framework in which participation has nothing at all to do with power sharing. [...] Instead of power sharing, the contemporary deployment of interactivity

exploits participation as a form of labor. Consumers generate marketable commodities by submitting to comprehensive monitoring. They are not so much participating, in the progressive sense of collective self-determination, as they are working by submitting to interactive monitoring. The advent of digital interactivity does not challenge the social relations associated with capitalist rationalization, it reinforces them and expands the scale on which they operate (pp. 196-197, emphasis in original).

Here Andrejevic (2003) describes the result of a well-known process in media history. Following a phase of invention and appropriation by amateurs and activists, economically promising new media technologies will subsequently be incorporated by the established concerns on the market. That which in a first utopian phase of the invention is discussed and appropriated as a means of communication, is turned into a medium of distribution tailored to industry interests (Zielinski, 1999). Regarding the Internet, this process has been referred to as the “normalization of cyberspace” (Resnick, 1998, p. 48).

Looking at the recent and current development of the so-called interactive television that uses the return channel to register user profiles and behavior, the advent of the “prosumer” era should no longer be embraced with enthusiasm. In this media order a user who is logged on and connected whenever he or she consumes media or other services, cannot *choose not to* interact. The media center in the living room, be it a Media Center PC or a set top box, interacts behind the user’s back all the time thanks to the return channel. Instead of being the “active prosumer” one should think of the future fettered consumer as the “conducer.” The conducer has no option but to collaborate, intentionally or unintentionally, at any given time, being seduced by the ever increasing entertaining value of contents, applications, and services of the converged media center in the living room. The interactive revolution is not just about people—as Pearce (1997) has put it—it’s about a reconfiguration of power relations between the industry and the consumer.

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