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Английский

The Branding of Television Networks: Lessons From Branding Strategies in the U.S. Market

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Managers of media companies, such as television networks, usually take it for granted that branding and having a strong brand in the minds of consumers is essential for profitability, growth, and long-term success. They share that outlook with most business people, marketers, and academics in the fields of management and branding: the identity of a product or company and the marketing of the brand's positive attributes are proven tools for a successful business strategy.
This article invites the reader to reconsider some of the assumptions about the importance of branding, as well as the strategies employed to brand television networks and other media companies. I present an historical analysis of the branding of television networks in the United States that suggests a number of factors and conditions under which branding was indeed important to the success of a network, but also a number of circumstances under which branding was largely superfluous and not related to the network's fortunes.
The analysis confirms that changes in markets and consumer behaviors affect the role of brands and demand different kinds of branding strategies. Because of rapidly changing market conditions today, it seems prudent to examine if those changes demand a revision of branding theories and strategies.

INTRODUCTION

During the last 50 years in the United States and in almost all market economies around the world, “branding” and “brand research” have been regarded as important aspects of management. The most-cited article in the 50-year history of the Journal of Advertising Research is about branding.
For most business people, marketers, and academics in this field, the identity of a product or company and the marketing of the brand's positive attributes are essential tools for a successful business strategy.

Media companies, such as television networks, have embraced branding. They share the outlook of most business people, marketers, and academics in the fields of management and branding—that is, they regard the identities of their companies and the marketing of their brands' positive attributes as proven tools for a successful business strategy.

This article reviews the history of the branding of television networks in the United States. As a result of that review, I suggest a number of factors and conditions under which branding was indeed important to the success of a network, but also a number of circumstances under which branding was largely superfluous and not related to the network's fortunes.

The article also touches on the current debate about the role of branding, brand marketing, and brand research: Despite the huge success of everything "brand," there are some critical voices in the United States today. They point to dramatic changes in consumer markets and consumer behaviors, as well as to changes in marketing and retail strategies that have affected the role of brands in today's markets. This has prompted brand managers and researchers in the field of brand strategy and consumer behavior to call for a rethinking of widely accepted branding strategies and to employ new strategies. I explore the implications of this debate for the branding of television networks and media companies, and suggest that the evidence supports adopting some revisions in branding strategies.

THE HISTORY OF AMERICAN TELEVISION BRANDS

To fully understand and explain the changing roles of television brands in the United States, and to demonstrate the connections between changing market conditions, consumer behaviors, brands, and branding, it seems prudent to first review the development of television in the United States and then analyze branding issues.

The Development of Television and TV Brands

In 1948, when the the first television network schedules were broadcast in the United States, they reached one million homes in 29 markets. Five years later, the majority of U.S. households had TV sets, and some TV programs reached over 50 million viewers.

Patterned after radio, television was organized as a commercial system with nationwide networks and "local" stations in over 200 markets. Only a few of those stations were owned by the national major networks, but nearly all were network "affliates," meaning that they broadcast the program schedule of the major networks and shared advertising revenue generated through those programs. The two largest networks were CBS (Columbia Broadcasting System) and NBC (National Broadcasting Company). The third, ABC (American Broadcasting Company), was initially smaller and with fewer affiliated stations.

In contrast to many European countries, non-commercial, or "public," television never played a very substantial role in U.S. television, at least not compared to the commercial broadcasters (the Public Broadcasting System was not established until 1969).

The dominant role of the major broadcast networks can best be illustrated by reviewing their audience reach: Until the end of the 1970s, the primetime programs of the three major networks reached about 60% of homes with TVs and, often, over 90% of those watching. As the percentage of homes with TVs and the numbers of U.S. homes, in general, constantly increased, network audiences were growing even as some new competitors started to change the television business.

The major television brands of the 1950s already existed 20 years earlier as dominant media brands: They were the NBC and CBS radio networks—broadcast networks that were founded in 1926 and 1928, respectively (ABC Radio was established in 1943). As a result, there was no need to create a new brand for the new medium. Names, logos, designs, and—in the case of NBC—trademark audio signatures (the NBC "chimes") were simply carried over and adapted to television.

During this time, “brands” and “branding strategy” were less prominent features of business strategy than they became in subsequent decades, and this was true of the television business as well. From a “modern” brand perspective, one could argue that it was not a problem because there was no need to worry about improving, strengthening, or changing the network television brands. The broadcast networks were in dominant positions, and there were no challengers. The television network business was very profitable and, as the medium continued to grow and successfully challenged other media for dominance in advertising revenue, profits continued to grow. Practically everybody was aware of and watched the three networks; and, as demonstrated through television's rapid rise, growing audience ratings, and confirmed through program research, most Americans loved the network programs.

There was one interesting branding effort during that time, but it was not directed at viewers—it was directed at advertisers: ABC, the smaller and lower rated of the three networks, was looking for a way to elevate its position and, hopefully, reach parity with CBS and NBC. In 1957, the head of the network, Leonard Goldenson, realized that ABC's position among young viewers was relatively strong. ABC decided to coin “18 to 49” as the “better” target age group, and successfully convinced advertisers that younger audiences deserved higher “cost per thousand” prices for commercials. One might say ABC found a very successful sales strategy (which had worldwide impact and is often regarded as a principle of advertising strategy, ignoring its origin as a sales gimmick). However, this positioning as the “younger” network for sales purposes was not developed into a coherent branding strategy. Also, the competing networks soon added more programs appealing to a younger demographic to their schedules, thus diminishing the difference between the programming profile of ABC, compared to CBS and NBC.

Changes in the Television Landscape

The importance of television brands and branding started to change in the 1970s when developments in broadcast technology and some innovative entrepreneurship began to alter the rather stable television landscape.

In the United States, cable and satellite had rather low penetrations, and were used to improve the reception of the broadcast network stations in areas with poor reception. This changed in 1975 when the Time Warner media company launched a new national television service that showed theatrical movies, called Home Box Office (HBO®). The new network was a “premium” service (without advertising and financed through viewer fees) that could not be terrestrially viewed—it required a cable or satellite subscription.

This network was not seen as a direct competitor to the commercial TV networks that almost every U.S. household could receive with a simple antenna and without charge. Also, it did not compete with the networks for advertising revenues. However, it ushered in dramatic changes that would soon start competing with the established networks.

A few years after HBO, a number of cable- and satellite-only networks were launched; most notably, Entertainment and Sports Programming Network (ESPN), a sports network, in 1979; Cable News Network (CNN), the first 24-hr news network, in 1980; and Music Television (MTV) in 1981. In addition, Ted Turner started to distribute his local station (Turner Broadcasting System, better known as TBS) nationwide through cable and satellite in 1976. Two things happened: Because cable and satellite now offered additional program choices, its function changed and penetration increased—it doubled between 1970 and 1980, when it reached 20%.

Initially, the major broadcast networks' audience shares were hardly affected, as the distribution, as well as the popularity, of these new program sources was limited. However, as the number and quality of these new offerings increased, more Americans subscribed to cable, which, in turn, made it financially feasible to further increase the quantity and quality of, what is usually called, the “cable networks.” By 1990, the majority of U.S. homes received cable or satellite service; in 2000, it was more than three-fourths.

Cable/satellite services raised the number of program choices available in the average home—which had been fewer than 10 even in the largest markets before non-terrestrial reception became widespread—and dramatically increased it in the decades that followed: By 2000, Nielsen Media Research reported that the average U.S. home could see 60 channels, and 10 years later, twice as many. The result was a continuous decline in the audience shares of the major works (which became 4 through the addition of the Fox Broadcasting Company [FOX] in 1986) and a steady rise in the cable networks' audiences.

As a result of these changes, two different "brand stories" emerged: the development of the established major network brands and the branding of new television networks.

The Development of Major Television Network Brands

With competition slowly increasing and new networks mounting elaborate branding campaigns, the established networks started to take a serious look at their brands. NBC, for example, created a corporate image task force in 1985. The ABC network initiated a corporate image campaign in the same year.

In connection with these new branding initiatives, starting in the 1980s, a large number of studies were conducted at all networks that explored what viewers thought of the networks; these were the key findings:

- Most viewers were relatively poorly informed about the three broadcast networks, and often confused about which network had which programs and which stars. Most people also knew relatively little about business aspects (such as who owns a network). On the other hand, most Americans recognized, and appeciated, that the broadcast networks (and network stations) were the ones providing mostly original entertainment programs and the biggest sporting events, and Americans named them as their primary sources of news.
- Practically all Americans (at least those aged 18+) watched programs on all three networks. During the first 5 decades of American television, the three major broadcast networks targeted the same audiences, and there were only a few brief periods where one was so dominant that a sizable portion of viewers spent most of their time with just one network.
- A consistent finding was that network images—viewers' attitudes about each network—are driven by the network's programs, past and current. The entertainment series shown during primetime (i.e., the peak viewing hours in the evening) play a very large role, but news, sports, and other programming can also influence the brand image. Popular, current hit shows are important, but programs seen 10 or 20 years ago (such as during adolescence) can still play a role. Also, not surprisingly, each viewers' own favorite programs tend to have a large impact, although programs that other family members watch or that are being talked/written about can contribute to their brand image.

- The research data showed that network images slowly change and lag behind current program popularity trends. Thus, among the general public, a network's image at a given time might benefit more from a successful show that is not on the air anymore than from a new program, even if that new show was winning critical acclaim at the time.
- Apart from programming, there are other, less important, influences on network perceptions: General reputations, assumptions about a network's viewers (such as families or older people), personalities (like news presenters), and, finally, promotions and branding campaigns (including slogans).

Although there had been a lot of criticism of the networks' programming—from activists, politicians, academics, and others—throughout the decades, the data strongly confirmed what had already become quite obvious to TV executives during the 1950s: Most Americans loved television. However, research also uncovered some facets of the brand images of the major networks that were potential roadblocks in their fight to retain dominance against the new

networks. The fact that most viewers were poorly informed and confused about the distinct characteristics of the three major networks was an indicator of fundamental branding problems:

- The traditional networks offer a mix of programs directed at a wide spectrum of tastes and interests; they are "full service" networks. The major portion of their primetime schedules consist of entertainment series that are shown for 2, or maybe 3 to 5, years; only a few hit series stay on the air for longer than that. As a result, there is a lot of diversity and change, but a lack of a common programming theme and little consistency and stability.
- As viewers watch network programming on local stations, the perceptions of the networks and their programs are likely to be mediated through those local stations and their identities. Many viewers think they watch programs, for example, on Channel 5, "KNBR," and do not give that station's network affliation much thought.

This was true of all three major broadcast networks; therefore, most viewers saw relatively little differences between them: A study in 1985 found that over 90% of viewers agreed that the broadcast networks "are pretty much the same."

In contrast, most network executives and industry insiders did see distinctions based on corporate factors and business strategies. However, those were distinctions most viewers were not aware of and did not care about.

In light of these insights, the leadership of the networks decided to brand their networks more aggressively and market themselves according to the same principles as the companies who financed them through advertising. However, they soon realized that there were some fundamental problems they could not, or did not want, to address.

To create more clearly defined and more distinct brands, a network should have less program variety, focus on one specific program type—preferably, one that is different from programming on competing networks—and keep programs on the air for longer time periods. Such changes were not considered: Broadcast executives regarded offering program variety and appealing to a broad spectrum of viewers as the the essence of the "traditional" TV network and the basis of a successful business model, and it would not be profitable to keep programs on the air that were losing audience appeal.

There was, however, one obstacle to brand strength that could be addressed: diminishing the role of local stations and directly branding the network to the viewers in the 200+ local markets. That strategy was embraced by all traditional networks. It led to a shift from the focus on local station identities to local stations that were branded as network stations. The new approach positioned stations as different from the new cable competitors, who did not offer any, or not much, local content and who did not have the big, expensive network television shows.

In sum, fundamental weaknesses of the broadcast TV networks' brands were not addressed, or could not be addressed, because they would have put very successful business models at risk. Therefore, the lack of brand differentiation between the networks in the eyes of viewers continued, although the overall image of the networks remained postitive, as they continued to offer the most popular programs.

The leadership of the networks was aware of this, but concluded that they could live with "imperfect" brands, given their continued business success. One executive put it this way: "How important, or obtainable, is corporate image differentiation for a network? … Differentiation may not be that big a deal—or possible—with the public at large." Indeed, no conclusive evidence could be found at the time that brand weaknesses had a significant impact on television ratings or profits.

In other words, under certain cirumstances, a strong brand is not essential for success.

"Must See TV"

Although network executives questioned the need to differentiate a network from its major competitors, attempts to devise branding strategies to achieve that kind of differentiation

continued. The poor results illustrated that it can be very difficult for branding strategies to achieve differentiation if the product is not truly different. However, there were a few instances where one of the major networks could carve out a seperate identity. One such noteworthy exception is NBC's “Must See TV” campaign because it illustrates that differentiation could be achieved, albeit for a limited time, because one of the networks had become different in a way that mattered to the audience, and they found a way to translate that difference into a successful branding campaign.

In the 1980s, NBC had found some success with shows that attracted a more affluent, relatively young adult audience which many advertisers wanted to reach and were willing to pay premium prices for.

NBC executives tried to find more programs that would attract a “quality audience” and support a “quality image” for the network. They scheduled them on Thursday nights, and NBC's marketing and promotion team coined the slogan, “Must See TV,” which became the centerpiece of a promotion campaign. During the second part of the 1990s, NBC led the TV ratings with programs like Seinfeld, Friends, Frasier, and ER. The network dominated among the better educated and more affluent 18-to 49-year-olds.

It seemed that the branding strategy and most viewers' perceptions of the programming—the primary driver of TV network images—were in agreement. With the help of a catchy slogan, this led to a successful implementation of the branding strategy. Internal NBC data showed that three-fourths of the American population was familiar with the “Must See TV” slogan, and a majority considered NBC the leader in “quality programs.”

The Implementation of New TV Brands

Starting in the 1980s, the three established broadcast networks faced increasing competition from two sources: a fourth broadcasting network (FOX) in 1986 and an increasing number of networks that could only be received with a cable or satellite subscription.

FOX entered the market with a clear branding strategy. The message to viewers was this: FOX will be different—younger and more “daring” than the established networks. The message to advertisers was similar: a younger audience (18–34, rather than 18–49); that is, a better “target” age group of consumers, who would be more open to trying new products, as they would be more open to innovative programs than the audiences of the “old” networks. FOX did schedule programs for younger audiences that, at the time, were very different from the fare on the other networks, such as The Simpsons (in 1989).

In 1992, an NBC study found that FOX was indeed seen as “different” from the other broadcast networks, as well as more “innovative.”

From the perspective of this analysis of branding issues, the implementation of the new cable and satellite brands is even more informative. Although the FOX brand was a variation of a classic TV network brand, these new networks represented something totally new and different. Subsequently, it became apparent that FOX, despite achieving differentiation, had not overcome all of the inherent weaknesses of the broadcast networks' brand images. On the other hand, recently, FOX became the highest rated television network, again suggesting that those weaknesses may not necessarily be a problem.

The so-called “cable networks” differ from the traditional broadcast networks in the following ways:

- They cannot be watched without a cable or satellite subscription. Their distribution is dependent on subscriptions to such services. Therefore, their distribution was initially quite limited.
- Nearly all major cable networks do not have local programming; they are national services with the same programming schedules all over the country.

- Cable networks are not required to carry news and “public affairs” programming. They can show one type of programs for 24 hr per day, everyday, creating a very clear and consistent programming schedule, if they choose to.
- Whereas there was always a limited number of broadcast network stations in each market (with a maximum of 6), the number of national cable networks steadily increased (it is now estimated at a staggering 460).
- Most of these networks are very small, with audience shares < .1%. Their business model is very different from that of the broadcast networks, which try to maximize audience reach: They target special, smaller audiences with low-cost programming. However, some of the highest rated cable networks (such as USA and TNT [Turner Network Television]) do target less homogenous, rather broad audiences. (There are “premium” services, such as HBO, that carry no advertising.)
- Advertiser-supported cable networks have two sources of income: subscriber fees and advertising revenues. Still, because of their limited distribution, they could not afford the kind of high-production value programming that broadcast networks are known for. Recently, however, as they can reach over 80% of U.S. homes, those networks have begun to show more and more original “network-style” television series.

All these factors had, and still have, important consequences for the branding of the cable and satellite networks. Not all are positive: Limited distribution means limited awareness. Lack of original programs and lower program quality are serious obstacles, given the fact that program appeal is the main driver of viewers' television brand perceptions. However, there is one strong advantage:

> *Most cable networks adopted a “single-program type” or “one-target audience” strategy that allowed them to brand themselves in a very distinct and clear way. They could easily achieve the differentiation and clarity that had always eluded the broadcast network brands.*

As a result, within a few years of the creation of the various cable networks, many Americans—and most heavy TV viewers and all advertisers—were aware of the new 24-hr news network (i.e., CNN), the all-sports network (i.e., ESPN), and they knew that young people wanted “their MTV.”

Some networks, like the Discovery Channel, built additional cachets by positioning themselves as networks that always showed high-quality programs.

In a world of increasing program choices, the distinctiveness of a media brand, the ability to clearly state what the viewer can expect to find at any time of day, and viewers' feelings that the network is designed for their needs became strong assets of many new cable network brands. For example, the successful sports network, ESPN, created a brand that is designed to reflect the sports fans' interests and passions, confirming the importance of creating a brand that is based on an accurate analysis of its product and its customers' needs, devising an implementation strategy that is in agreement with that analysis.

At the same time, a closer look at the new “cable brands” shows that there is no “one size fits all” rule and no perfect correlation between successful branding and a successful business:

- Most cable networks were not able to create an image as strong as ESPN: Their programming does not address and cannot satisfy the same kind of intense passion that sports fans exhibit.

- A lot of the programming on cable networks is relatively inexpensive (e.g., cooking shows) and can easily be imitated, creating competitors who are striving for the same image and confusion among viewers.
- As the number of cable channels grew and most Americans have access to well over 100 channels, many networks changed direction and tried to re-brand themselves for competitive reasons.

The result is that there are so many channels and so many changes in the "television landscape" that many viewers are confused and have little knowledge about most, especially the many small networks. Still, most are successful businesses. Further, as a result of the branding of so many new networks, the major broadcast networks are not seen as "leaders" anymore by many viewers. However, although lacking differentiation among themselves, they are still the best-known networks, and they are seen as offering the most of the "most popular" shows.

Finally, some of the most popular (and very profitable) cable networks, such as USA and TNT, offer a mix of programs and lack the distinct images of ESPN or Food Network channels. They have found a successful business model without a strong, distinct brand and without a leadership position.

THE FUTURE OF BRANDING

As consumer markets, consumer behaviors, and marketing and retail strategies are rapidly changing, academics and marketers have discussed the role of brands and of branding in today's environment. For example, the Chairman and Chief Executive Officer of a company with some of the strongest consumer brands in the world, Irene Rosenfeld of Kraft Foods, recently declared that branding strategies have to be "changed significantly" to be successful in today's markets. Rosenfeld argued that brands cannot think of themselves as "teachers" anymore, and that brand managers should stop creating brand concepts and campaigns that intend to convince consumers that they want to interact with the brand. Instead, marketers should "listen and learn" from consumers: Today's branding "paradigm is upside down"; it is based on "deeper consumer understanding." Rosenfeld said that successful brands make consumers the focus, and not the ideas and visions of executives or marketers.

The analysis of new television brands described here shows that many embrace the "new" branding strategies. As Keller put it, they follow the "new branding imperative" that "fully and accurately factors the consumer into the branding equation." On the other hand, Apple® is a modern brand that thrives using very traditional branding strategies—it leads consumers; it tells consumers to listen. However, that seems to be the exception which confirms the rule: For most brands, including media brands, consumer insight and input is essential to successful branding. This may not have been as important 50 years ago, but this is not an entirely new phenomenon: Many brands have failed or suffered because the voices of the consumers were not heard, and other considerations—from business objectives to boardroom decisions on what the brand should "stand for"—were given priority.

In sum, then, as markets rapidly change, branding, implementation of branding strategies, and maintaining brand leadership will become more difficult, and marketers' lives will become even more complex, especially if multicultural and global elements are part of their strategies. This clearly applies to media companies that are dealing with revolutionary changes in media technology (from high-definition to online viewing and new services like Netflix). It appears essential, therefore, to carefully review the theories and assumptions of the past and recognize that branding strategies need to constantly be adjusted.

Вопросы к статье:

1. Что такое брендинг в телевизионном бизнесе и каково его значение?
2. Что нового в позиции автора по сравнению с традиционными подходами к медиаменеджменту? Какой новый тезис он отстаивает?
3. Как влияет процесс нишевизации и сегментации аудитории на брендинг телевидения в США?
4. Каковы ключевые изменения в брендинговых стратегиях крупных американских телевизионных сетей? Каковы позитивные и негативные стороны этих стратегий?
5. Что такое брендинговая стратегия?

6. Насколько, по мнению автора, соотносятся устойчивая позиция бренда и коммерческий успех телеканала.