

## Made-for-Web TV show a broadcasting first

**Barbara Shecter, Financial Post**

Published: Tuesday, February 26, 2008

Tonight, major television networks in Canada and the United States plans to do something never done in prime time before: broadcast a show that was made for the once small and fuzzy world of Internet.

The hour-long network television debut on NBC and E! of Quarterlife, originally made as a series of eight-minute "Webisodes" by the Emmy award-winning creators of thirtysomething and My So-Called Life, is a galvanizing event for a host of companies that are producing shows for the Web.

If Quarterlife, which follows the travails of twentysomethings as they try to realize their dreams and find love, can draw audiences large enough to cover its costs and draw advertisers, it will prove Internet productions can form the base of a new model for TV networks struggling with the loss of viewers and advertising to other pursuits, says Marc Campbell, a former investment banker who launched icn.tv this year to showcase a portfolio of 40 comedy shows on the Internet.

"When something that starts online ends up as a bona fide hit, everything changes," said Mr. Campbell.

Major network executives in the United States are beginning to acknowledge they need a new business model to cope with declining viewership that has reduced audiences for some of the most popular shows to levels where cancellation might have been considered in the 1970s.

NBC, one of the Big Four networks, has already stopped producing scripted shows for the first hour of prime time that once launched hits including The Cosby Show and Friends because the network is no longer confident it can find a mass group of viewers to make the economics of big-budget shows work.

As a 14-week Hollywood writers' strike raged last month and there were signs the economy had started to slow, Jeff Zucker, the head of NBC Universal, suggested the tradition of producing fall season pilots at a cost of as much as \$7-million each could be scrapped altogether to save the network some \$50-million annually.

All this is taking place as the network executives grapple with how to make money by putting their own shows online.

David Wertheimer, former president of digital entertainment at U.S. studio Paramount, says he doesn't believe the

pilot is dead. But the arrival of Quarterlife in prime time on a major network has proven "that there's not a single model anymore," he said yesterday.

"We're getting to a point where you're only limited by your creativity, not bound by the traditional rules of the 'system'," said Mr. Wertheimer, who runs the Entertainment Technology Center at the University of Southern California, which is funded by Hollywood studios including Disney, Fox and Sony.

"High-quality production values will always cost real money, so the networks will continue to invest in the tried-and-true development system," said Mr. Wertheimer. "But TV networks may well begin to test well-produced content online rather than relying solely on intuition and focus groups."

That's the angle Mr. Campbell is hoping to exploit with icn.tv. The California-based comedy portal's shows -- including a parody of Quarterlife called 2/8 Life -- can be found on icn.tv as well as on well-known social networking portals such as YouTube and MySpaceTV, where Quarterlife got its start in November.

"It's like a farm league... the first step in the process," said Mr. Campbell, adding that "migrating [the shows] up the food chain" to network television would be the ultimate pay-off.

Many of the shows on icn.tv wouldn't get made without the stepping stone, because the creators wouldn't be able to line up and navigate pitch meetings with a small handful of media monopolies, says Mr. Campbell. With the Internet, shows can be made cheaply, and receive word-of-mouth by being broadcast to anyone with an Internet connection.

Mr. Wertheimer estimates that an Internet show can be made for slightly more than 5% of the cost of a network pilot, meaning it can recoup its costs with much less revenue from sponsors or advertisers. But if the budget is so frugal that the show's production values are not good, it won't make it to prime time on a major network.

Marshall Herskovitz, one of the creators of Quarterlife, has said he had to call in a number of favours from Hollywood buddies to attain the production quality he needed on a fraction of the budget of a network production. Without Mr. Herskovitz's connections, production budgets are bound to be smaller.

Alan Sawyer, a media strategist with Two Solitudes Consulting in Toronto, said it is worth noting that Quarterlife and Sanctuary, a Canadian-produced show that has struck a deal with the Sci Fi Channel in the U.S., were both created by experienced television producers.

"Because of that, it's not a matter of chance that the quality is suitable for television. We shouldn't assume that these two successes ... indicate that there's a wealth of content on the Internet that can make the same leap," he says. "What this does demonstrate, though, is that there are alternative means of content development for the conventional TV world - and, importantly, those that make the grade bring a pre-built audience with them."