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Reality Tv's Place In The Entertainment Landscape: A Look Into The State Of Contemporary Media Costs

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REALITY TV'S PLACE IN THE ENTERTAINMENT LANDSCAPE: A LOOK INTO THE STATE OF CONTEMPORARY MEDIA COSTS

by

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Abstract

Previous literature has confirmed that reality television is less expensive to produce than scripted. This paper investigates both how production costs have developed overall, and how and why they differ between the two genres of scripted and unscripted television. After interviewing professionals in the industry, the results shed light on how the production processes have key differences, perhaps most important being the writer's presence or lack thereof. The results expose reality television's function in streaming platforms as retainment content. Streaming platforms are also examined as a catalyst for change in the industry's landscape, bringing many disruptions along with them. Ad-based and subscription-based platforms are compared. Brand identities are detailed as a major component in the decision of how much reality television each company produces.

Acknowledgments

First and foremost, I would like to thank both of my readers, Professor Van Horn and Professor Affuso, as well as Professor Flynn, for providing so much guidance and having near-infinite patience.

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Introduction

Ever since television became a standard fixture in American homes in the 1950s, the landscape of broadcast media has rapidly shifted. Over time, fictional scripted shows became the status quo. It was not until the 1990s and early 2000s that the genre of "reality television" began to take hold of the public. The genre has managed to become one of much controversy, with critics denouncing the promotion of vulgarity that has become typical in reality programming, even while it entertains millions. Some insist the categorization is misleading, and that these shows do not truly reflect reality.

Despite these complaints, reality television has soared in popularity since its inception. It is becoming more and more common to see unscripted shows aired alongside their scripted counterparts. Within certain network lineups, the unscripted programs tend to outweigh scripted. A popular explanation for this rise in reality television is that it is cheaper to produce, and comes with larger profit margins.

I am investigating the market structure, pricing, and production of the television industry regarding reality and streaming shows. With the rise of streaming services comes another shift to the entertainment industry's geography. It is unclear what reality television's purpose is in this new structure and if its prevalence is truly only caused by its low cost. The objective of this paper is to explore the current state of contemporary media costs at large. I achieve this goal by examining the practices of the television industry as told by its participants. The production process for both scripted and unscripted television will be discussed, as well as any changes in the industry over time. Lastly, this paper will analyze commercialization tactics used by modern companies in obtaining revenue.

<u>Description of Approach</u>

I researched the history of reality television shows, reviewed the existing literature, and studied explanations for why they are cheaper to produce than scripted shows. In addition to this, I conducted interviews with several professionals in the field who have direct knowledge of the industry. I then compared the theory with their responses, discovering whether it aligned with their lived experiences. To obtain a clear picture of the state of contemporary media, I determined what the most important questions were: I needed to identify what the components of production costs are from the viewpoint of these professionals, what models they use to generate revenue, and what they have noticed changing over time. I also asked them to describe the differences in the process of creating scripted and unscripted television.

Answering these questions is important to better understand how the decisions are made regarding what media we are offered. The results provide insight into the television industry as a whole and a more specific focus on unscripted content.

Literature Review

The emergence of reality television was much earlier than is generally acknowledged, beginning with *Candid Camera* in 1948. As a genre, its defining trait is that it's alleged to be unscripted and features "real people," as opposed to paid professional actors working from a script produced by paid professional writers. However, due in part to the many different featured subcategories, it is difficult to pinpoint exactly what makes reality television what it is: "This is because reality television as a whole revels in generic hybridity and borrows extensively from other televisual forms" (Ouelette, 5). The lines between categories are blurred. One could argue in favor or against whether certain archetypes of unscripted shows truly constitute reality television, such as game shows, or series like *Keeping Up With the Kardashians* wherein the main cast was much better described as paid celebrity talent than ordinary people by the show's end. However, this paper does not define precisely where reality television ends but instead examines how its industry is structured.

The genre's title of "reality" is not especially deserved. Producers apply a very liberal definition of the word, as the programs are still crafted and edited to create a story. Some are more scripted than others. However, the audiences appear to understand the nature of this manipulation, to an extent: "Viewers do search for moments of authenticity, and they recognize a kind of sliding scale of shows from more to less real, but they clearly understand that they are watching an edited, mediated artifact and not an unadulterated, unmediated bit of reality" (Andrejevic, 42). Despite the unscripted label, audiences are not quite naive enough to take this type of media at face value. However, this does not mitigate its power to affect the viewer's thoughts.

Reality television has seeped into many aspects of our world. It has "radically altered the landscapes of celebrity, politics, and power," by influencing presidential races, pop charts, and feelings about social issues (Berman, Judy, et al.). Not only does reality TV hold a seat of influence, many critique what its powers have been used for. Appraisers call out how carefully crafted unscripted material is and disparage its treatment of gender, sexuality, and race. Informed by and responsible for spreading cultural biases, the genre has even been labeled the disparaging "Project Brainwash" (Pozner). Whether it's Tyra Banks using *America's Next Top Model* as a national platform to berate and demean Black women using racially charged stereotypes, or MTV undermining the severity of violence against women by releasing a comedically framed promo clip of a man punching Snookie from *Jersey Shore* in the face, there is a credible argument that reality television's messages to society are not overwhelmingly positive.

In the economic sphere, research has not kept up with the speed with which the television industry has evolved. However, papers such as Alison Hearn's "Reality Television, *The Hills*, and the Limits of the Immaterial Labor Thesis" explore the idea that "reality television's production practices are ground zero for the socialization of labor" and represent the restriction of post-Marxist scholars' framework of immaterial labor as immeasurable, and therefore a vehicle for revolution. Hearn disagrees with the application of this thesis to reality television and argues that capital does continue to create methods to measure the value of labor time despite how social and voluntary the labor happens to be. The industry's dependence on "real people" as characters and other cost-cutting practices is a microcosm of capitalism as a whole, and its goal is to mitigate its dependence on wage labor.

Additionally, academics in the media studies realm more than cover the gaps in economic literature. Reality television is discussed at length, encompassing even the more financially centered topics involved in the subject.

For instance, Laurie Ouelette, a prominent media studies writer, has published multiple books detailing the cultural significance and social and political implications of reality television. In *A Companion to Reality Television*, Ouelette collected and compiled essays detailing almost every aspect of the landscape. June Deery's contribution, "Mapping Commercialization in Reality Television", explains one of the most important components of business for reality television—financial gain. Deery outlines the reality producer's aggressive advertising methods that make their shows "cultural devices for selling things," which include product placement as a method for advertisement that, when compared to commercial breaks, is not as removed from the show itself. Another method Deery discusses is sponsorship, where the sponsors finance a portion of the show in exchange for some degree of influence and exposure for their brand. Their advertising practices extend to online platforms created in tandem with the show, where space can be used for promotional material. Merchandise is another way for reality broadcasters to monetize their content.

These commercialization tactics appear to be rising in practice. For example, “in the United States alone, the number of product placements on television increased by 30 percent in 2005, to reach 108,261” (Lehu, 34). An advertising presence is becoming ubiquitous in television, to the point where the Writers Guild of America protested how common it is to engineer opportunities for product placement in all types of media in 2005. In 2017, the majority of original programming from major streaming services incorporated product placement (see fig.1). Reality television tends to receive more leniency from viewers regarding advertisements, as the viewers have lower standards for its integrity.

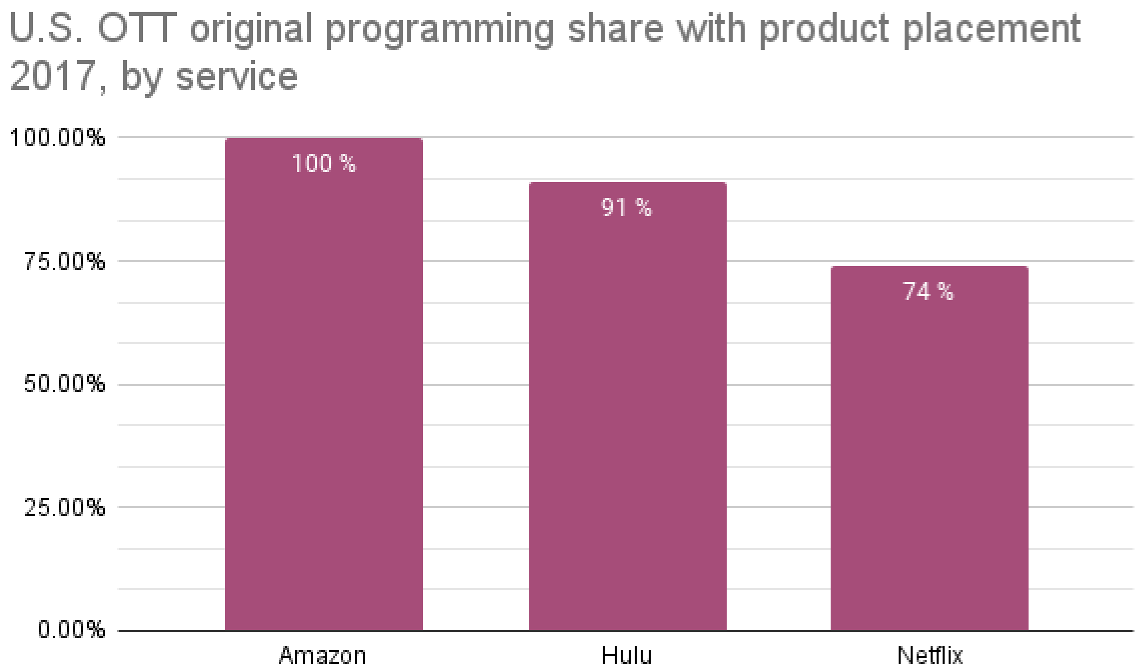

Fig. 1. Business Insider. "Share of Ott Original Programming Containing Product Placement in The United States in 2017, by Service." Statista, Statista Inc., 18 Jun 2018, https://www.statista.com/statistics/915918/ott-original-programming-share-product-placement/

It is commonly accepted that unscripted television tends to be significantly less expensive than the alternative of scripted television. The literature available on the subject confirms this: "Reality television is largely and properly regarded as a cash cow whose producers have come up with several ways to shrink budgets" (Deery, 9). One of the many ways that reality television maintains this budgetary advantage is by exploiting the labor of its workers. According to Andrew Ross in his essay, "Reality Television and the Political Economy of Amateurism," the entertainment industry has been rife with unpaid labor since at least the late 1990s. Specifically, the format of reality television allows for decreased "production inputs and professional labor costs." The influence of labor unions such as the Writers Guild of America (WGA) is circumvented by relabeling the role of a "writer" as an editor or producer. The content is still scripted in that a story is crafted and developed, but the fair pay that would come from the WGA's regulations is avoided. Without union protection, "Below-the-line workers, such as production assistants, loggers, assistant editors, drivers, and other technical crew, are often asked to work 18-hour days with no meal breaks and no health or other benefits" (Ross, 32). Many critics have asserted that these workers are taken advantage of and paid half as much as their counterparts on scripted shows, not even taking into account the unpaid overtime.

With the shift of media distribution to a streaming-centered world, practices are changing. High expenses from creating a new show come with high stakes: "there's an 80% chance that a new show will get canceled in the first year" (Smith). The uncertainty makes entering production a risky venture.

Success is not guaranteed for streaming services, however. The subscription costs of popular platforms are a deterrent for some customers. Some companies in the FAST (free, ad-supported streaming) space are having success with their models. This category includes Pluto TV, Tubi, and Freevee. Peacock is even developing "a new feature that will allow marketers to see their products edited directly into scenes from new NBCUniversal shows and films" (Weprin). Obtaining revenue from viewers in the least obtrusive way is going to be an important factor in the battle between streamers. There are various methods besides utilizing the FAST model that companies are using to maximize revenue while avoiding discouraging customers.

One of the less subtle tactics is simply increasing the price of subscriptions. Disney is one of the participants in this price hiking movement. In Caitlin Huston's article, "Disney's Price Hikes Usher in Era of the Not-So-Cheap Ad Tier," Huston recounts how initially the streaming service Disney+ was relatively low cost to attract subscribers, before pivoting to a profit-maximizing price increase. The platform's programming and production costs have been steadily rising since 2019, providing a possible explanation for the price hike.

David Zaslav, CEO of Warner Bros. Discovery, has remarked on the rush of Hollywood to scripted television. For companies like Netflix, high content costs have led to higher charges for subscriptions, and therefore a problem maintaining and growing the number of subscribers. As of 2022, Netflix has partnered with Microsoft to offer an ad-supported tier to its platform. This change to the existing subscriber-based model is an attempt to reduce subscriber loss, a fate that Zaslav is attempting to avoid by creating a subscription streaming platform with a free, ad-supported service in the future. Warner Bros. Discovery will also differentiate itself by being willing to sell some of its content, "unlike rivals that have increasingly kept their content for themselves and their streaming services" (Huston). This could be a reference to services like Disney+, which keeps its Disney and 20th Century Fox content exclusive. Apple TV has similar tendencies, and according to data aggregated by the comparison app ReelGood, it is the platform with the most exclusive content as of 2020. 100 percent of its content is unable to be streamed elsewhere (see fig. 2).

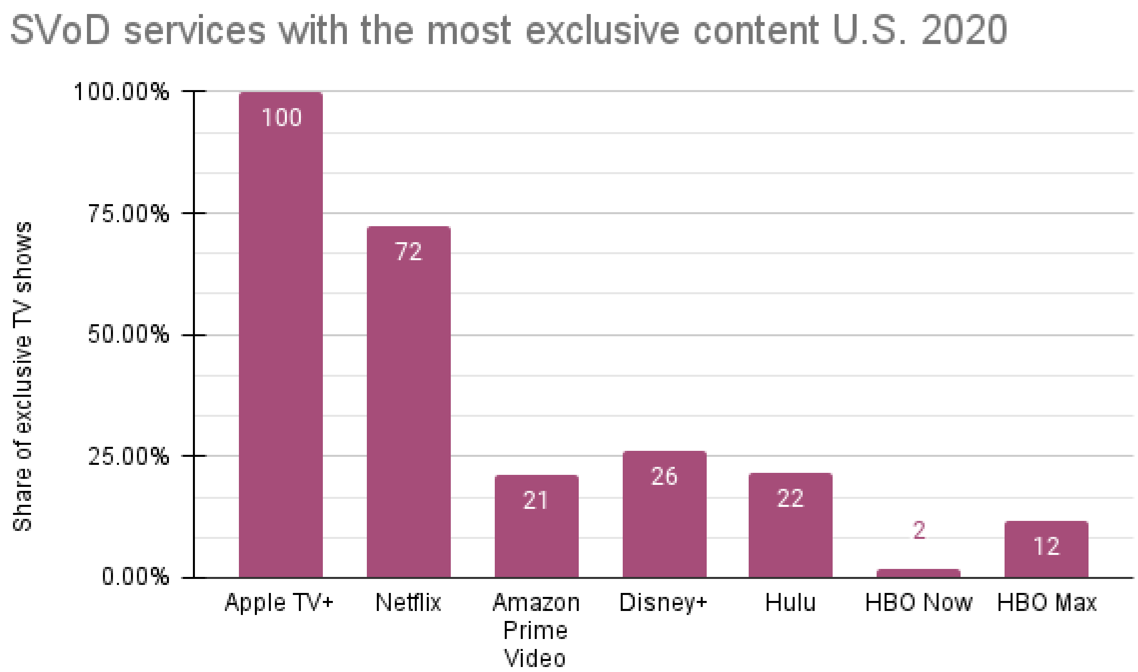

Fig. 2. Reelgood. "Share of Exclusive Movies and Tv Shows on Major Svod Platforms in The United States in June 2020." *Statista*, Statista Inc., 2 Jul 2020, https://www.statista.com/statistics/1110900/svod-services-original-content-us/

Another important aspect of the digital migration is how the demographic divide between media platforms is increasing: "Younger consumers are less likely to use traditional formats such as cable and broadcast TV, instead opting for podcasts, social media and gaming alongside streaming services and TV networks" (Bridge). Companies must learn to navigate the new landscape efficiently because of the chosen media format for younger customers, and failure to adjust to the new climate could lead to businesses being left behind.

Theory, Data, Results

The Method

I conducted five interviews with current professionals in the television industry, all very successful in their fields with years of experience. I was able to find these interviewees utilizing connections from within my Los Angeles community of fellow Campbell Hall alumni. I prepared for these interviews by looking into their employment histories and concluding what they might have the most knowledge about. I composed unique questions for each respondent based on their areas of expertise.

Each meeting lasted approximately an hour in length. We reviewed their job responsibilities and then discussed their experiences concerning the production process and costs of television, any differences between scripted and unscripted content, and their observations of the industry over time, including any changes brought about by the shift into an era of streaming. I then analyzed their answers to see if they aligned with the theories that claim to explain their trade.

The Respondents

Paul Telegdy has worked in the television industry for the past two decades. Most recently, he founded a media, entertainment, and technology company. Before this endeavor, he worked for NBC Entertainment, a branch of the American multinational mass media and entertainment conglomerate, NBCUniversal. He was the President of Unscripted Content at this company for seven years before acting as Entertainment Chairman.

In the last fifteen years, Tim Connolly has been employed by Hulu, the major American streaming service, an American short-form streaming platform called Quibi, and the Walt Disney

Company. He has held the titles of Head of Partnership & Advertising, Head of Partnerships & Distribution, and Vice President of Digital Distribution and New Product Development. Currently, he has joined the efforts to bolster the video service at AppleTV, the American multinational technology company's entertainment branch.

David Gould is a screenwriter for television. He has acted as a showrunner, story editor, co-producer, and producer during his tenure in Hollywood. He has been in this line of work for over fifteen years. Currently, he is working on a drama series produced by the major American commercial broadcast television network, CBS, and is credited for many episodes of several different series.

Alison Simmons is similarly qualified to provide her opinion. She has been a force in the television industry since she arrived in the field seventeen years ago. She has held the positions of Senior Director of Original Programming at the American cable company BET Networks, and Senior Executive at OZY media. She has also been Vice President, Senior Director of Programming and Production, and Supervising Producer of American television channels, such as Current TV, TV One, and AspireTV. Her responsibilities have included acting as the creative liaison between all network advertisers involved in multi-platform ad campaigns seeking to utilize a channel's audience, managing production budgets, and being involved in the daily logistics of a show's production process.

Finally, Chris Simmons has been employed as a television writer, a story editor, and a story analyst/consultant for the multinational mass media and entertainment conglomerate Warner Bros. Discovery. As a story analyst, he reads every script that is waiting to be made in his department of this large company. He tracks the progress of the scripts, making critical suggestions at every step of the way. In his free time, he also privately helps out friends in the industry with their projects.

Results

Jobs to be Done

Clayton Christensen, an American academic and business consultant, is credited with several influential business theories. In "Marketing Malpractice: The Cause and the Cure," published in the *Harvard Business Review*, he details a framework wherein firms understand customer behavior to be motivated by specific goals. These goals are referred to as "jobs," and each product the customer pays for is "hired" to complete the job. According to Christensen, understanding what jobs need to be done is vital in creating a service that customers want to pay for. This framework applies to the subject of this paper because if cost relative to benefit was the only factor in production decisions, then reality shows would be the only media produced for television. For example, according to the "2013 WGA Report on Nonfiction Television," unscripted shows have a range of budgets with the cheapest below $100,000 per episode and the more expensive ones at around $500,000 per episode. Top-rated competition shows like *American Idol* can cost as much as $2 million per episode. In contrast, scripted shows are averaging an episode rate of around $9 million (Film LA). The profit margins in the unscripted sector are much larger, so why is it not the case that the entire industry switches over? The answer is in part because each service is offering a specific experience, and while tailoring their identity they consider whether reality television has a place.

From interviewing the respondents, a common theme became clear that was consistent with this principle. Each company seeks to carve out a niche in the market and tries to make sure that the content is in line with the brand. As the market is so saturated, in order to stay afloat, they must know their audience and appropriately cater to them. I asked the respondents about the brand that the media companies they have worked with have wanted to project.

Tim Connolly spoke about what characterizes Apple TV's brand. Apple TV was more concerned with creating exclusive, premium, and high-quality content over low production costs. Instead of trying to attract customers who would halfheartedly watch their programming all day, their goal is to have an audience who comes to them to watch with purpose. Apple TV considers maintaining brand consistency and prestige to be more important than simply increasing the amount of content available. Reality television is evidently not included in this sophisticated vision, as a look at the Apple TV catalog reveals only two shows in the reality category. Instead, they offer shows like the highly-rated comedy-drama *Ted Lasso* or drama series *The Morning Show.* Their approach makes sense when considering that hardware and software sales are more important to their parent company's business, and Apple TV is not a standalone endeavor that must completely fund itself.

Connolly continued by remarking that Hulu has an entirely different approach, wherein it is attempting to be all things for all demographics. Quantity is more important, as it boasts approximately 3,000 titles in its library. Netflix is in this category as well, with over 5,000 titles (Buchi). Consistent with Connolly's characterization, Hulu had the most average viewing minutes per day of any major service, with 130, displaying that it is achieving its goal of maximizing the amount of time the audience spends watching its content (Hayes). This goal makes sense for Hulu, which utilizes an ad-supported structure where success depends on the amount of content watched. A minor difference between the two similar platforms, however, is that Hulu boasts more recently aired, newer content. As shown in fig. 3, approximately 29 percent of Hulu's titles are reality television shows, many of which consist of multiple seasons. This number reveals that their use of unscripted serialized programming is a greater component of their platform than Netflix's, with the lesser presence of approximately 23 percent of its library being reality shows. However, Netflix has more titles overall and remains competitive with its popular original programming. Another important difference to note is that Hulu has connections to legacy media companies in its ownership by the Walt Disney Company, and Netflix is a standalone company.

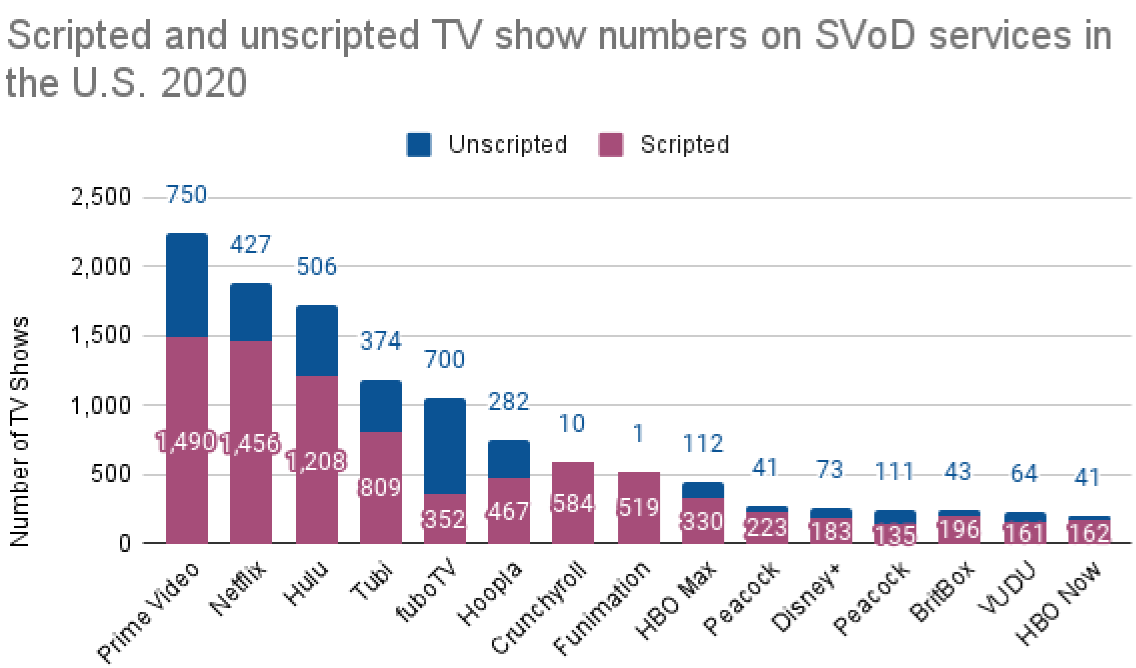

Fig. 3. Reelgood. "Number of Scripted and Unscripted Tv Shows on Selected Svod Services in The United States as of July 2020." *Statista*, Statista Inc., 23 Jul 2020, https://www.statista.com/statistics/1148316/scripted-unscripted-tv-show-count-svod-usa/

Connolly also spoke of his impression of Disney and what the company's intentions were. Disney's approach is to have many networks that all have unique personalities. All of the branches are capitalizing on a different job to be done. This way, they aren't forced to try to be all things for all people and instead can be oriented in different ways to do different jobs for the customer.

Gould noted the same phenomenon and spoke of needing to alter pitches and approach each network differently based on their target demographic and brand. For example, he has to keep in mind that CBS skews towards an older demographic. This could be caused, in part, by the fact that many of its shows have run very consistently over the years, such as *The Young and the Restless* beginning in 1987 or *Survivor* in 2000. The older-skewing viewership alters the content in favor of these long-running programs, as well as formulaic procedurals such as *NCIS*.

Alison Simmons also described her experience with the companies she has worked with. TV ONE focuses on content for an African American audience, offering original lifestyle-based programming and a substantial amount of unscripted content, much of which is based on true crime. They are more focused on fewer hours of substance that appeal to more people. As a smaller network, they are working with limited money and therefore have to be strategic and cannot produce expensive reality shows like other services while they branch out into exploring dating and lifestyle. While reality television still is more inexpensive to produce as a whole, within the category, there is a great range of budgets. Some reality shows are incredibly expensive, such as *The Voice*. This show uses celebrity talent to reach people, which is often costly as human brands tend to be the most expensive component of reality television if they are involved. Telegdy, who directly worked on *The Voice*, explained that producing an episode was more akin to putting on a large live concert with celebrity guests and filming it. TV ONE simply does not have those resources and must be more strategic.

BET networks is also targeting an African American audience, but is more focused on scripted programming. It tends to center around music and scripted shows from American actor and writer Tyler Perry. They have attempted incorporating unscripted material but have found themselves less successful than with scripted. One such attempt, *Sorority Sisters*, was even the subject of a petition to block its airing due to negative stereotypes.

According to Chris Simmons, Discovery+ does have reality-based programming with devoted fans. The platform has offerings including *Toddlers and Tiaras, My Big Fat Fabulous Life,* and *Deadliest Catch.* In fact, it is the most popular subscription video-on-demand platform for reality TV shows (see fig. 4). Simmons noted another tactic. In the face of audiences searching for increasingly specific jobs to be done, Warner Bros. Discovery is finding a specialty in utilizing the existing intellectual property.

This adherence to brand identities and tailoring individual networks and services to complete a certain job is a plausible explanation for why all entertainment bodies do not simply exclusively produce reality television, even if it is more cost-effective. Platforms with different identities have customers coming for different reasons. If one is seeking reality television, they are more likely to go to Discovery+ or Hulu than they are to Netflix or HBO Max (see fig. 4).

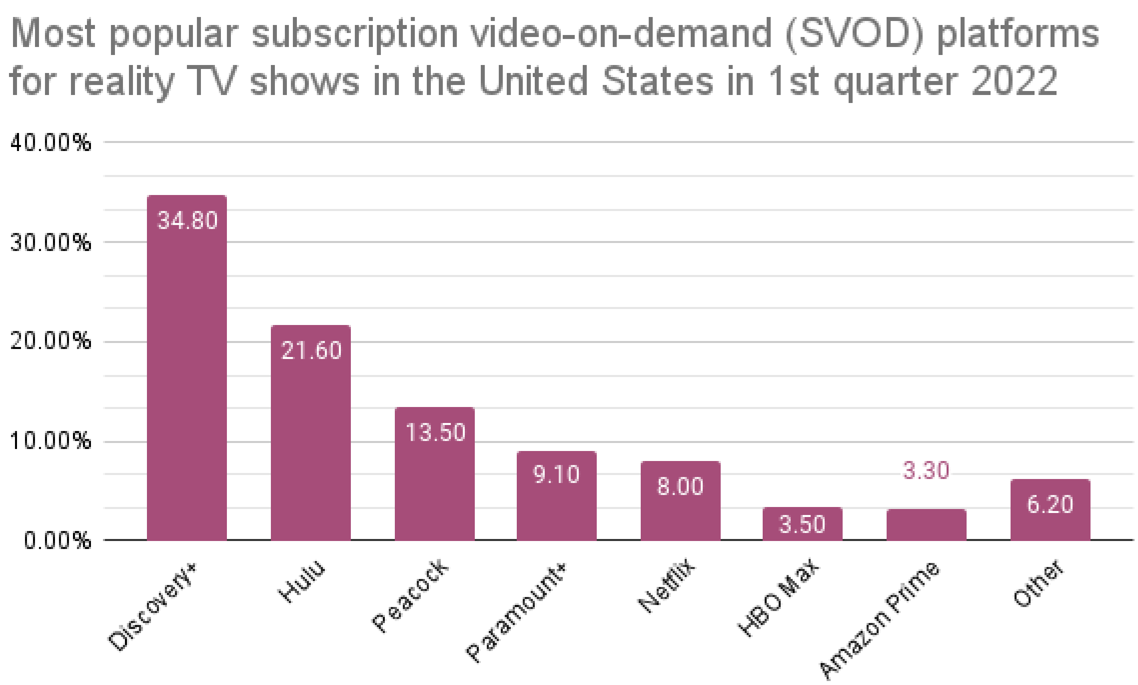

Fig. 4. Yahoo. "Most Popular Subscription Video-on-demand (Svod) Platforms for Reality Tv Shows in The United States in 1st Quarter 2022." *Statista*, Statista Inc., 12 Apr 2022, https://www.statista.com/statistics/1247629/most-in-demand-svod-platforms-reality-shows-us/

Another way the "jobs to be done" theory affects the amount of reality television made available through each service was explained by Tim Connolly. Using Netflix as an example, he explained that they did not originally produce their own material, and once they started to, the reality genre was not a priority. The reasoning for this is that their goal in producing original content was to acquire customers. The content that works to acquire customers is seldom reality, and is most often high-profile scripted material: The example for Netflix would be a show such as *Stranger Things* which, according to Nielson statistics, achieved 5.1 billion viewing minutes across its four seasons (Fuhrer). Another, more direct example is how "the much-anticipated debut of HBO's *House of The Dragon* fueled a 13.7 percent increase in usage of HBO Max" (Nielson).

High-profile scripted programs work to acquire subscribers. However, once the customer has subscribed, the platform still has to retain them, especially once they are finished watching the show that successfully drew them to the service. The service must have lots of content available to keep the subscriber around, otherwise, the customer will recognize they are not using the service enough to justify the cost and will cancel. This is where reality television finds its place. Connolly, who has worked directly with subscriber acquisition partners, has learned that reality television is effective at retaining customers once they have already subscribed, and that is its primary job within streaming platforms. Netflix, a company that has not prioritized reality in the past, is now pivoting towards producing many reality shows. Some examples are *Selling Sunset, Bling Empire* and *Love is Blind*. The reason for this change is that now they are focused more on retaining subscribers. Their business model became unsustainable, and amidst the struggle to profit, they found the saving graces of contained, reusable sets and a cast of unpaid, ordinary people.

In the context of "jobs to be done," the assignment of reality television as retention content and scripted dramas as acquisition content shines a light on the strategic ways that companies utilize both genres and explains why certain companies employ more reality television than others.

Production Process

I also asked the interviewees about their experiences and knowledge of the production process, both for scripted and unscripted television.

Paul Telegdy described the process of choosing what gets produced as consisting of two major components: the cost and the creatives. Another factor is where the decision is being made—which platform the hypothetical material is being made for affects the process. In the streaming era, scheduling has become a nonissue. In pitching a television show, executives like Telegdy are looking for whoever is communicating the idea most clearly and passionately. This is similar to unscripted shows, except in that case the person pitching is proposing a format rather than a story. Gould is very familiar with pitching ideas and has successfully sold many. He repeated this idea that pitching is essentially the same for both categories, where he needs to present the story and themes, and explain why it matters. Both types of shows also have a pattern of not fully coming to fruition. Gould shared an anecdote from when he successfully pitched a reality show to networks. He had two ordinary people set to be the leads and act as the reality substitute for written characters. The show picked up traction and was set to be showcased on *Oprah*, and yet, two weeks later was dropped from production without any given reason. The only substantial difference he observed was that the characters in reality television are real, ordinary people.

One difference in the production process is the use of pilots, as unscripted shows have not utilized them with the same frequency as scripted ones. However, in Telegdy's experience, scripted pilots are going out of style as well, shrinking the difference between the two categories. Gould had a contrasting view and said that traditional TV networks have not yet abandoned the practice of commissioning pilots for proposed scripted TV. When asked how often a pilot is ordered and then dropped afterward, he said that it is a common occurrence. Networks may order twenty pilots to be written, then shoot three or four, and then actually pick up even fewer. This is a very large expense, as Gould claimed that each pilot can cost upwards of $7 million. However, streaming platforms tend to order four scripts and determine whether to greenlight the series from that; no pilot is necessary.

In terms of compensation for the writer in these scenarios, the Writers Guild enforces a standard minimum script fee. However, after building up a body of work, many writers end up being able to quote their price as significantly higher than the minimum. The writer is paid solely for the pilot, but if it is picked up, they are then paid substantially more.

When the writer is officially staffing a show, the union establishes script fees to guide their compensation. A scripted show typically has a writer's room, and the writer whose name appears on the episode is responsible for the breaking of that episode (coming up with every scene involved in the story and arranging those scenes in the order that they will appear in the script) to production. They are the point person for that episode and get increased compensation when that occurs. This differs when some writers' rooms collectively group author on every episode without a primary writer, and then each contributor gets assigned to one episode on which their name will appear. Once the script is written, the showrunner will approve it. The script coordinator liaises between and obtains notes from the producer, the studio, and the network. As reported by Gould, network TV work pays the most because they order the most episodes, usually between thirteen and twenty-two, whereas streamers are not inclined to order more than ten.

The role of the writer cannot be properly discussed without mentioning the Writers Guild. For the past ninety years, the Guild has been representing writers in the American entertainment industry. The labor group has had to respond to technical, economic, and cultural changes over the years. With these shifts comes a need to adapt and renegotiate solutions for the new problems. Compensation and labor rules must be repeatedly debated and compromised. Miranda Banks details this long-running history in her book, *The Writers: A History of American Screenwriters and Their Guild.* Banks notes five relevant moments in media history, including the genesis of the Screen Writers Guild in 1933 and two different major strikes in 1960 and 2007-2008 respectively. Through these events, the Writers Guild has become an incredibly powerful line of defense for writers who work on scripts for film, television, video games, and news. The Guild "convenes and mobilizes members, addresses their concerns, negotiates and enforces contracts, lobbies on behalf of its members, represents the face of screenwriters to the outside world, and preserves the craft of screenwriting" (Banks, 8) These directives show how the Guild wields its influence, choosing to champion its members and safeguard them from being taken advantage of.

Upon considering how involved the writing process is and how much involvement unions have in the form of the Writers Guild, it is clear to see that the lack of a writer’s presence in unscripted television may greatly decrease the expense of producing a show. When asked to describe what the writer's presence looks like on an unscripted show, if there is any, Alison Simmons explained that there is a showrunner who is in charge of the entire production similar to in scripted departments. However, there is also a story editor, whose duties are the same as a writer’s would be: They are a story producer for reality; they delve into characters; they pull characterizations and plot lines from real-life people; they craft it much as a scripted series would. This story editor will likely have a writing background, however, another difference is they may have to edit. They will need the additional skills of being media savvy, knowing how to pull selects (an editing term meaning to select the clips that are potential candidates for the edit), and working on video and audio editing software. However, they get paid significantly less than writers by name, which is where money is saved. In Telegdy’s eyes, the amount of scripting in “unscripted” is severely underthought, though it varies for each show. Since writers operate under different titles, the production avoids the input of the Writers Guild. Gould has witnessed unscripted employees working around the clock for significantly less money, especially when story editors are involved.

The categories of scripted and unscripted are not especially intertwined. According to Telegdy, they are moderately segregated in that they are distinct disciplines and it is quite rare to see significant credits in both arenas. At Alison Simmons's network, some people work on both movies and unscripted shows. However, unscripted is usually a separate entity due to its lack of prestige and difference in cost. In an environment where both scripted and unscripted media is being made, unscripted is usually secondary except for when it is a major component of the network's success and is working with a bigger budget. Even then, she says that it is typically acknowledged that scripted brings in more money and viewers and is therefore held in higher regard within companies. Chris Simmons adds that usually unscripted shows are done on the cheap, without much fanfare within the company itself and no crossover. The exceptions are reality shows such as *Chrisley Knows Best* or any of the shows in the *Real Housewives* franchise, which Chris Simmons finds to be scripted content merely disguised as unscripted. Shows like these have the effect of elevating the ordinary people involved into celebrity status, as opposed to shows like *The Voice* which employ already existing celebrities.

Expanding on the effect of unions on production, Telegdy acknowledges that although the lack of writers and actors' unions kept costs low for years, his experience with both scripted and unscripted shows in recent years involves organized labor in every facet of production. Gould is staunchly pro-union and has even participated in writer's strikes to advance union power. He has benefited greatly from the protections offered, as well as the fee minimums. From his knowledge of the industry, he believes that studios and networks are going to be exploitative unless they are prevented from being so. Alison Simmons said that with running an unscripted set, the money is completely different. Scripted shows have to be union based if they want to be considered for programming with major networks and streamers. This means that the actors, directors, and set designers are all in their own unions. Union shows increase costs, and she claims that even the worst and cheapest scripted series will cost significantly more than reality because the employees will have to be union. In her experience with unscripted, there has been no union for pretty much anyone, and if there were, she predicts there would be at least a 300 percent expense increase.

All the respondents agreed that a common large expense for reality television is talent fees. Telegdy contends that human brands tend to be the most expensive parts of developing a reality show. The popular figureheads of these shows typically start with a very low fee of around $5,000 per episode but demand exponentially higher compensation when the show reaches peak popularity.

Changes Over Time

Over the years, the media distribution landscape has gone through many changes. I polled the respondents on whether they found oversaturation of the amount of media available online to be an issue, or if they foresee it becoming one.

Telegdy emphatically considered this concept a grave issue for the industry. He explained that currently, people watch less television. This is because there's so much competition for mind share and a glut of content. Audiences now have a shortened attention span due to digitalization and Internet usage (Medvedskaya). Platforms like TikTok are better designed to hold this abbreviated attentiveness than the longer format of television. Telegdy considers that there is currently a peak amount of content readily available, with very expensive premium content such as *Game of Thrones* costing as much as the entire budget of premium drama across all of cable would have been allocated. However, this expensive product is not attracting enough eyeballs. He believes there is going to be a reckoning where major media companies continue spending more and more, for fewer and fewer viewers.

Connolly agrees with this assessment, noting decreasing profits across the board. Cable television was a profitable system for everyone involved, with an abundance of money coming into the ecosystem. However, once increasing numbers of people cut the cable cord in favor of streaming services, less revenue was collected from customers. With reduced profitability came more competition. Netflix started an arms race by writing immense checks to obtain talent, so talented writers, producers, and creators followed the increased pay and went to them. The cost of programming is growing to meet the escalating price of acquiring licensing for shows, as there are bidding wars for content. It is also very expensive to set up technical infrastructure to manage streaming subscribers on a global basis, which is now expected as opposed to national distribution. Ramon Lobato's book, *Netflix Nations: The Geography of Digital Distribution*, tackles explaining some of the changes that have come with Netflix's globalization. Lobato describes several problems the company has encountered; battling geoblocking and VPN software to protect content licensing's value, preferences for local content, issues with uniform global pricing, and moral outrage over the more risque media. Most disruptive, perhaps, are the systems needed to support this globalization. The inventory includes "the viewing devices, modems, routers, and other consumer hardware that enable users to connect to internet television services (and their associated programming languages, protocols, and technical standards); the telephone lines and fiber-optic cables that carry voice and data traffic to the home; the content delivery networks (CDNs) that cache video content in servers near end users; customer management software and third-party payment processing systems; and of course the power grids and undersea cables" (Lobato, 73). The list is extensive, and every component is both necessary and costly. This system reduces industry profitability.

Another issue with streaming from Gould's writer's perspective is that the shift to online platforms is a bad portent for residuals, which may become nonexistent. Producer John Langraf predicts that 2022 will be the peak of scripted television and will only decrease from then, as no more new purveyors are joining the scene but some are exiting (Goldberg). However, Gould is optimistic and believes that people will always want new content no matter how much there is already. This is consistent with the "Long Tail" economic theory, where in the face of oversaturation, there is an audience for everyone. With the accessibility the Internet provides, smaller brands can aggregately compete with megabrands. Gould hopes that the response to the overload of content is the creation of all different kinds of shows and tones that occupy increasingly specific individual niches.

Chris Simmons has similar thoughts, citing that there will always be some desire to create new intellectual property. Shows are becoming much more niche, not intentionally giving up trying to reach a large range of audience, but finding it necessary in order to succeed.

Making Money

All of the respondents agreed that costs of production are rising, even when inflation is taken into account.

Chris Simmons explained that a method of combating this is opting for existing intellectual property to offset the expensive production. He claims that even the worst reboot will eventually generate enough revenue, which is why they are becoming so commonplace.

Chris Simmons also asserts that the basic model of obtaining revenue has not really deviated from the beginning of his career. Television tries to make money off of its audience in the least intrusive way possible, to avoid putting off customers. They need advertising dollars to bolster production funds, and hidden advertisement fees offset rising costs. One of these hidden advertisement methods is product placement deals. Product placement is very subliminal and can take the form of references to a real product within the dialogue. He has found product placement to be ubiquitous in the industry, featuring in prestigious scripted shows as well as less sophisticated media. Alison Simmons noted that her companies' commercialization was advertiser based as well. In her experience, these advertisers have commonly expressed the desire to be in business with companies that feature diverse stories involving people of color.

Alison Simmons has noticed shrinking budgets over time for her unscripted projects. She finds that companies are becoming less willing to pay for the reality category of media, and she is struggling to work within the limited budget she is allocated.

Conclusion

In conclusion, reality television has a different purpose than scripted television and is therefore used accordingly. It is more useful when companies are seeking to retain subscribers than when the goal is to acquire them. In the latter case, high-profile scripted television is more appropriate even though the profit margins are not as impressive. The type of content offered also must be in line with the distributor's brand, regardless of profit margins. The company's structure also comes into play, with strategies ranging from completely free, ad-supported streaming where viewing hours are more important, to solely subscription based where the number of subscribers determines success.

The two categories also diverge in terms of the production process. Some steps are essentially the same, which is the case when pitching. However, there are important differences as well that explain the cost differentials. Reality television does not typically film pilots, buy scripts, or employ union workers or writers, therefore avoiding paying Writers Guild and Screen Actors Guild union fees. However, a large reality television expense is human brands in the form of celebrity talent.

The streaming era has disrupted the entire television industry and reshaped it within years. Streaming platforms have brought many changes along with them. Oversaturation of media is beginning to become a problem in the industry, and costs of production are rising across the board. Companies are trying to combat this with reboots and increasingly niche programs, with varying success. As streaming platforms like Netflix struggle with maintaining growth with a limited ability to maintain budgets, reality television is used as a solution.

At its core, this is the quintessence of the basic microeconomic scenario with new market entrants: If firms in a market are enjoying positive economic profits, it tempts other firms to enter that same market. The new competition within this general market shifts the demand curve, and the downward pressure causes profitability to fall. This postulated sequence of events is reflected in the television industry's trajectory expounded in this paper.

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