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The television production and distribution industries should consider the large amount of consumer surplus which could be captured by selling old TV shows. The internet allows television production and distribution companies to offer their entire back catalog of shows, without regard for capacity, because the costs are so low. The content could be shown for free with advertising, or the producers and distributors could charge for downloading or streaming the content.

The only incremental cost would be to distribute the royalties among the show’s stakeholders. Information technology has made it possible for the distribution of royalties to take place automatically. Google rose to the top of the online advertising market when it replaced a very labor intensive sales process with an automated system. The television production and distribution industries need to implement an automated system to streamline the distribution of revenues.

Because there is very little cost to distribute or administer the content, all of the archival content could be made available online. Whereas television had a fixed amount of time available, the internet allows producers and distributers to offer an unlimited selection. Whereas television requires an audience of at least tens of thousands of viewers to be a good use of scarce bandwidth, this scheme could be profitable with virtually any sized audience. And because the industry would be offering archival content, it would not be competing with broadcast or cable offerings which offer current content in most cases.

–Michael Plasmeier