

Leaders of Television: A Deep Dive Into NBC

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## Leaders of Television: NBC Breaking Ground

**Introduction**

Entertainment has been a key part of our society for centuries. Whether it be through non-technological theaters of Shakespeares time or with sketch YouTube videos that make us laugh, we will always find something in our world to entertain us. But there is one medium that is very important to the current mediums of entertainment and that is television. For this paper, I'm going to be talking about television industry and more specifically, the National Broadcasting Corporation (NBC).

One historical trendsetter for the television industry is actually the founder of NBC and that is David Sarnoff. David Sarnoff was born in 1891 in The Shtetl of Uzlian which “resembled an isolated, impoverished, and ingrown village,” (Lewis, 2021). Sarnoff started of in radio as he “...moved rapidly through the executive ranks of RCA...” (Wigand, 1988). NBC itself started off as a radio station owned by RCA that would compete with CBS in terms of listeners. This battle continued until emergence of television in the late 1940s and throughout the 1950s because “television would fullfill the promises radio had made, and so often broken, decades before,” (Henry & Hilmes, 2007). When it came to network television, NBC was one of the top players, especially in the 20th century.

One trendsetter that is subtly making an impact is Dana Walden who is the currently the head of television and streaming services at Disney. Dana Walden joined Disney with the acquisition of 21st Century Fox in 2019 and has been named as Co-Chair of Disney General

Entertainment Content (Forbes, n.d.). While Disney mainly made the most amount of profit in television market share for 2022, the company is still facing financial difficulties as it “expects to cut costs by \$5.5 billion and eliminate roughly 7,000 jobs...” (Barnes, 2023). While both Disney and NBC were discussed equally in this introduction, I want to mainly focus on NBC and its impact on television.

### **Political**

The television industry has a great influence on the people of America but its trade organizations also have a greater influence on politicians as well. In the past, the National Cable and Telecommunications Association (NCTA) had lobbied for a specific issue that effected them in the mid 1990s. When the Federal Communications Commission (FCC) forced cable to cut its rates by 17%, the NCTA had many internal struggles in the mid 1990s. They fought back by “lobbying for telecommunications legislation that would help clear the way for cable entry into the local telephone market,” (McAvoy, 1995).

While that was a situation that happened almost thirty years ago, there are conundrums that politically affect television trade organizations today. One of them was an act that internationally effected India and the telecommunications industry of that country. This act was The Rural Improvement Act of 2022 and it gave lower income areas the opportunity to have faster broadband access. This act also directed “funding for network expansion to areas where at least 90% of households lack access to broadband...” (NCTA, 2022). While this situation may not have affected more broadband reliable countries, it still is a right step into the greater telecommunications world.

While there isn't lobbying happening with the NBC company itself, its parent company, Comcast, has had huge influence in the world of politics. In 2019, Comcast was accused of withholding lobbying information from its investors and shareholders (Brodin, 2019). The company was also accused of being linked to nonprofit media outlets that smeared the credibility of Gigi Sohn as potential commissioner for the FCC (Bode, 2023). These accusations against Sohn claimed that they would use her potential FCC post to "unfairly censor conservative" (Bode). While these controversies may affect the companies reliability, it is all dependent on the market and viewership of NBC.

### **Economics**

The situation about the economy whether it be about the U.S. economy or the global economy, is that it is constantly changing. That being said, it was reported that the U.S. economy grew at a 1.1% annual rate in the first quarter of 2023. This has "signaled that one of the most-anticipated recessions in recent U.S. history has yet to arrive," (Rugaber, 2023). While this affects everyone in the country, it also affects those in the entertainment industry. Even though NBC may have gotten high viewership for its show "Chicago Fire", the entertainment industry struggles to make its streaming services profitable.

Netflix made an announcement in 2022 that despite making high-viewership, critically acclaimed shows, they were losing subscribers due to competition. NBC's parent company's streaming service might not be as financially lucrative as cable systems (Grimes & Nicolaou, 2022). That could lead to increase price of each streaming service, Peacock included. This could also mean that both network television and streaming programs could be more expensive for NBC.

The possibility of a recession in the near future could effect the cost of different aspects of the network station. For one, NBC's Sunday Night Football was tracked to be the most expensive program to place a 30-second advertisement on at the price of \$828,501 (Herren, 2022). This price as well as others on other NBC programs like "The Voice" could increase drastically making the monopolistic competitive industry a little more exciting. Despite the fact that this potential recession may not endanger the average viewer from watching network channels like NBC, the network NBC and it's advertisers may face financial stress.

### **Social/Cultural**

With a broadcasting company like NBC existing for eight decades, it has seen the vast amount of change in the world and America especially. It was determined in a study that "In the average urban area today black-white racial integration has increased by 10.6% between 1990 and 2010," (Carrillo & Rothbaum, 2022). Despite this urban change in the world, there hasn't been much of an industry change with that. "According to a new demographics report out from the TV Academy, more than 74 percent of its members are white..." (Rice, 2023). So despite the growth of diversity and racial integration in America, those in control of the industry have nearly remained the same as they did in 1940s.

In terms of the stars that they hire, NBC is pretty keen on keeping their cast diverse in all aspects. One of the oldest shows on the network still fights to be as inclusive as it can be and that show is *Saturday Night Live*. Many of the cast members of that show in it's current season are from different cultures whether it be based on their ethnicity or sexualality. The show also has a standard of bringing in current stars as hosts and current musicians as the nights musical performers. In the months of March and April, the show has had hosts like Jenna Ortega, Ana De

Armas, and Quinta Brunson. The musical performers of that time have been The 1975, The Jonas Brothers, and Karol G. While it to note that there aren't particular non-entertainment brands associating with the television industry, television itself has had a massive shift into streaming in the past ten to fifteen years.

### **Technological**

With the advancement of technology, the television industry has seen a great change in the past ten to fifteen years. For one, the entertainment industry shifted with the rise of streaming services. Netflix was a company that originated from renting out dvd's through the mail but it began it's own streaming service in early 2007 (VdoCipher, n.d.). It wasn't until the hit show "House of Cards" came to be when other companies saw this brand as a competition. Because of this, many media and entertainment companies started shifting their focus on streaming content in the 2010s. Comcast soon began bringing their NBC shows on digital platforms like the NBC website and the streaming service Hulu. Eventually, Comcast decided to create their own streaming service called "Peacock".

Peacock has many shows from other networks and also has programs that usually air on NBC like "Saturday Night Live" and "New Amsterdam" but in the context that they can watched through "deliberate viewing". Deliberate viewing has been described as "the notion that viewers employ self-scheduling agency to plan their viewing sessions" (Luders, 2022). This in simple terms expresses the cultural enjoyment of binge watching or watching shows outside of their airing scheduled time. This has in-edveratdley damaged the viewing numbers of NBC as they averaged around 3.43 million viewers last fall (City News Service, 2023). Peacock, on the other hand, has about 20 million paid subscribers in Q4 of 2022 (Forristal, 2023).

While Peacock has many current and classic NBC shows that allow binge-watching, their original content has a different way of releasing. Peacock originals, with the exception of dropping two episodes for a season premiere, drop new episodes weekly as this has been a model used for shows like “Bel-Air” and “Poker Face”. Because of the reliance of the internet for content, even television manufacturers changed how they made TVs. These new televisions commonly called Smart TVs are “...products that enabled users to consume services delivered over broadband networks, e.g., YouTube, Netflix, and others,” (Klehm, Bragam, & Lucena, 2022). This industry change to be more reliant on the internet seems to only be growing by the minute.

### **Legal**

While it is not entirely “legal” per-say, I can’t write this paper without discussing about the Writers Guild of America strike taking place during my time writing this. The WGA strike of 2023 started on May 2 and already has many affects of the entertainment industry. It has been started in a reaction to the turn of the entertainment industry post-2020. Because of streaming services, television writers went from being paid for writing 20 episodes per season to 8-12 episodes per season (Koblin & Barnes, 2023). NBC announced that they would pay their staffers of late night shows for the first two weeks of this strike occurring (Porter, 2023). Then it was announced that the hosts of these shows, “Fallon and Meyers will personally pay their teams for a third week...,” (Porter). It is unclear at this point to determine how long this writers strike will take or if it will have the same impact as the writers strike of 2007/08. What is clear is that it is effecting network television stations like NBC rather than just the current big streaming services.

Despite having a more quiet relationship with the U.S. Securities and Exchange Commerce in recent years, let's say past five years, NBC was part of one of the biggest media corporation mergers of the 21st century. Comcast bought Universal and NBC with it in 2011 with 51% ownership until 2013 when it was the sole owner of the network television company. It was seen as a vertical and horizontal benefit for both companies as "both companies served as sources of video programming, through broadcast networks (such as NBC and Telemundo) and cable networks (such as the USA Network and the Golf Channel)," (Yoo, 2014). This was the most recent company merger that NBC was a part of and is still financially beneficially to all of the media platforms.

### **Environmental**

NBC has been part of many different causes in its history but one of the most recent one is its environmental efficiency program. It all started, "In 2009, the NBCUniversal Sustainable Production Program was launched to integrate sustainable best practices behind the scenes, with over 70 productions participating each year," ("Our Production", n.d.). Television productions like "The Good Place" and "Brooklyn Nine-Nine" have participated in the Sustainable Production Program ("Our Production"). They manage to uphold this by using energy efficient lighting, reusing/donating set materials, and using Forest Steward Council plywood and paper for sets in order to protect the trees ("Our Production"). These are the measures that the entertainment production studio take to make the world and their sets an environmentally friendlier place.

One key goal of NBCUniversal is to entirely be carbon neutral by the year 2035 ("Environment", n.d.). This seems to be a goal of not just NBCUniversal but Comcast as well.

They are doing this by investing in clean energy, doubling network efficiency to be cloud-based orientated, and designing environmentally friendly product packaging for entertainment products (“Environment”). Warner Bros. Discovery initiates the same actions that NBCUniversal do with environmental practices with the added fact that they measure Greenhouse Gas emissions (“Our Planet”). Despite this, NBCUniversal’s plan has been in practice for almost fifteen years now. With our earth look so bleak in its environment, it’s encouraging to see Comcast seek the clean atmosphere that we all know we need.

### **Conclusion**

I want to conclude this paper by discussing the future of NBC and it’s stand in current television. For one, it was reported less than a month before writing this that the CEO, Jeff Shell, has left the company abruptly (Mullin & Koblin, 2023). Despite this hiccup of the company, the stock of Comcast has significantly increased and is higher than the days leading up to Shells departure. That being said, NBCUniversal is going to put more energy into the streaming service Peacock. It was announced recently that “watching the Paris games in 2024 will be a lot easier — declaring Peacock the "streaming home" of the 2024 Paris Olympics,” (Buckley, 2023). Streaming is only getting bigger as there is a production merger happening between Sony Pictures Television Studios and Warner Bros. Discovery through Central Eastern Europe where Sony films are going to be distributed onto HBO platforms like HBO and Max. It’s hard to see a future without the network television channel of NBC but there may be a future where Peacock is all that NBCUniversal will produce on.

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