

Can the dvr kill the
advert star?



**ASSIGN
BUSTER**

It was a breakthrough that amused many, but also one that raised a controversy: the digital video recorder (DVR). From its conception, it subscribed to and sold the idea that it was designed to keep the viewers in control.

Thus, a DVR user can record, play, rewind, and fast forward anything being aired on television and watch it at will. Often, this will be to watch the recorded program with the least interruption or with no interruption at all.

Thus, many DVR users record their favorite programs, mostly those running daily or weekly and by episodes, and watch them at their own pace and time, fiddling through the controls to skip the scene when it is time for commercial. Welcome the world of real viewing power.

According to Trombino (2006), about 9% of American homes who use digital video recorders like the popular TiVo use the gadgets to skip commercials.

This has caused concerns for television networks including cable providers, and advertisers because commercial television has been the backbone that gives profit to the two big industries. With the advent of the DVR, the mutual relationship between the television and the advertisers is threatened—when viewers no longer watch advertisements, advertisers will lose reason to buy spots from the networks.

The television food chain will be broken. Because television stations and cable providers depend on advertisers for profit, if the stations cannot guarantee the exposure that the advertisers need because the viewers are virtually skipping their expensive ads, the advertisers will take their money

elsewhere—and there are many other avenues: online advertising, print, or even new marketing.

While it will be a bigger loss for television stations than the advertisers, the dilemma is for the television advertising industry to face and take.

Seventy six percent of high-level marketers who are also members of the American Advertising Federation believe that the advent of DVRs will significantly affect their industry, though at the time of study there was no evidence of change in the buying pattern of television spots by advertisers. (AAF Members a Tizzy about TiVo Effects, 2004)

The reaction of advertisers, however, is valid. With the power of television programming put on the consumers' hand, it is hardly imaginable for much of the advertising industry to flourish.

The introduction of DVRs also introduced the concept of commercial-free viewing, something people have dreamed for a long time. And while the DVR technology has been around for a long time, the release of newer and more advanced models such as that of the now household brand name TiVo sparked fresh interest in the works of the digital video recorder, attracting more buyers and welcoming more subscribers to what seems to be an impending ad-less television era.

With the effects evident now, more is yet to come. The use of DVR is expected to climb up to 35% by 2010, according to the Standard and Poor's Equity Research. (Trombino, 2006) Forrester Research makes a bigger prediction, saying the rise will be 41% by 2009. (Picallo, 2004) Regardless of

the numbers, the use of DVRs is surely aimed at expansion, and it will drastically change television programming and advertising.

In fact, it has now changed television programming. Speicher (2006) states that DVR users have been found to record shows running on episodes, such as soap operas and sitcoms. However, reality television or non-scripted, non-episodic formats like news, game airings, and television contests are preferred to be watched live or on-schedule. This may be accounted for the fact that these shows present information that viewers would want to know and get first-hand information about.