One of the defining characteristics of the economics and strategy of media industries is the centrality of the process of windowing. Windowing refers to media industries’ usage of time and technology to sell and re-sell their products over time via various distribution platforms. For example, the motion picture industry has windowed its products perhaps better than any other sector of the media industry, using theaters, home video, cable, broadcast, and increasingly, the Internet, as windows for monetizing their products, with some films earning significant revenues decades after their initial release.

However, the changes that are affecting our media system are having profound effects on the extent to which content producers are going to be able to continue to rely in windowing strategies as extensively as they have in the past. There are three specific factors that are undermining the continued viability of windowing strategies.

The first is the digitization of content and platforms that is characterizing virtually every media industry sector. As Nicholas Negroponte famously declared, “bits are bits.” And what this means is that the nature of content is increasingly indistinguishable across the various platforms via which it can be consumed. A digital motion picture can be consumed in a theater (via digital projection), on television, on a computer, or on a hand-held device such as an iPod or a smart phone. In years past, a motion picture on celluloid was distinctly different from a motion picture on a VHS tape, which was distinctly different from a motion picture on broadcast or cable television. Each platform operated differently,

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and the form that the content took was different with each platform. Take away these
differences, and some of the logic of – and some of the tools for – effectively windowing
content across platforms are eliminated.

Second (and related to the first), is the threat of piracy. As content is increasingly available
in digital formats, it has been well-documented that the opportunities for massive scale
piracy of quality copies increase. And, of course, piracy at an early stage of the windowing
sequence undermines the revenue prospects for later stages in the sequence. As a result,
the logic of waiting to release content on various “downstream” platforms is diminished.
And so, for instance, we are increasingly seeing films released globally on the same date, or
films released in theaters and on cable on-demand video systems simultaneously. As
piracy essentially shortens the shelf life for media content, the pressure to place the
content on as many different shelves as possible, as soon as possible, increases.

And finally, the rise of the DVR on the television platform is creating pressure to move
away from the creation and distribution of content that has the kind of inherent shelf life
necessary for effective windowing. Commercial skipping, and the damaging economic
effects that it has, have created pressures on programmers to emphasize programming that
is “DVR-proof,” such as sports programming, awards shows, and reality-based contest
programs (such as Dancing with the Stars and American Idol). It just so happens that such
programs tend to have minimal long-term windowing value, at least compared to
traditional scripted programs (think, for instance, of how many times you’ve watched your
favorite episode of The Simpsons compared to how many times you’ve watched your
favorite episode of American Idol, or even your favorite Super Bowl). It is important to
recognize that these forces affecting the television platform have ripple effects throughout
the media system; for instance, extending upstream to the motion picture industry (given
the prominence of repurposed movies on television) and downstream to the Internet
(given the prominence online of programming originally produced for TV).

Now, the point here isn’t to argue that windowing is doomed as a distribution strategy;
only that the extent to which it is going to drive revenue generation in the media industries
is going to decline significantly, and that some of the tried and true strategies for
windowing content might not be viable for much longer.