

The Incredible Survival Story of the TV Advertisement

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Technology increasingly allows viewers to skip advertisements all together. Yet networks are pushing back, and filing lawsuits, to maintain their revenue model. Which will win out?



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Eugene Polley, inventor of the first wireless television remote control, died last month at 96. Polley, an engineer at Zenith, named his device Flash-Matic. It was introduced in 1955. In his *New York Times* obituary, the purpose of the gadget was described in an advertisement this way: "Without budging from your easy chair you can turn your new Zenith Flash-Matic set *on, off, or change channels*. You can even *shut off annoying commercials* while the picture remains on the screen." More than a half-century later, engineers in cahoots with viewers are still working out ways to minimize the intrusion of commercials.

The latest innovation comes from the DISH Network, which has about fourteen million subscribers. It is called the Hopper and goes well beyond Polley's principle by skipping commercials altogether. Almost immediately, three networks -- Fox, CBS, and NBCUniversal -- filed lawsuits to block Hopper on the grounds that voiding the commercials violates contracts that integrate advertising into the pay-per-view service.

Whatever the outcome of the litigation, there isn't any doubt that the long-term contest over how to override commercials will continue.

After a short run of about a year, Polley's device was replaced by another Zenith remote control that proved to be more efficient. But the company's president, Eugene F. McDonald, held firm to his initial belief that viewers would object to commercials and that suppressing them remained a primary goal of these wireless channel changers. McDonald may have been right about consumer preferences, but television programming was destined to be advertising-supported-- a vastly lucrative source of income for the networks and scores of other stations as they were gradually added to the mix. A spirited history of what is widely known as "the clicker" was the subject of a *New York Times* takeout called "[Pushing All Our Buttons](#)," but it barely mentioned the role of managing commercials that was so important to the inventors of the gadget.

Over the decades, as personal recording techniques were refined, viewers caught on to the fast-forward function. To take a current example, if the multiple commercials on *Mad Men* undermine your enjoyment of this television classic, you can DVR the series and, after waiting no more than ten minutes from its Sunday evening 10:00 p.m. EDT start time, the commercials will zip by if you press down on today's sleek descendant of Polley's Flash-Matic. Advertising is still the mainstay of television's economics, but viewers are increasingly adapting to the impact of what amounts to a new age of video entertainment: the use of tablets, smartphones, Internet-connected television, and even game consoles to take charge of when, where, and how to watch programming -- and how to pay for it.

A recent spread in *USA Today* (which often is especially good at summarizing major shifts in technology in accessible terms) offered this perspective: "This new cyber audience that has grown up with on demand video and DVR time-shifting scorns appointment TV in favor of a user-generated viewing experience in which they are in control." Downloading to mobile devices doesn't eliminate commercials, but it is a significant step in what is at the basis of the evolving habits of today's viewing experience. Allen DeBevoise, CEO of video entertainment network Machinima, one of the more popular channels on YouTube, told *USA Today*: "The old television model was: You go home and watch TV when they want you to... Our model is: You can be anywhere in the world, on any device you want and we'll let you watch the content whether it's on a mobile phone, a tablet, a computer or a connected television."



Although today's viewers do have much more sway over commercials, they also pay steadily rising rates for watching on digital devices and television. Cable or satellite bills can run well over \$100 per month, and most of the hundreds of the available stations are heavily loaded with advertising. Smartphones also carry significant monthly charges for their myriad of services. And choosing the Netflix or iTunes option for tablet viewing is yet another way of running up expenses.

The presence in so many American homes of HDTV sets with screens as large 60 inches and sound systems that are comparable to those in movie theaters hasn't slowed the trend toward choosing mobile viewing, particularly among the younger generation. For some families, televisions are no longer even considered necessary, just as land lines for telephones have been dropped. According to *USA Today's* experts, the pattern of the past -- "video snacking" of short clips online (such as Hulu's featuring of the best of *Saturday Night Live* skits) -- is now being replaced by longer-form programs. YouTube is currently spending \$100 million to develop 100 channels with such superstars as Jay-Z and Madonna. How will all these expensive programs be paid for? Surely, much of the revenue will come from fees collected monthly, or for downloaded on-demand viewing.

But those "annoying commercials" that Eugene Polley and his colleagues in the 1950s wanted to avoid are still very much around. While ingenious ways to minimize them will go on being invented, it is safe to assume that just as much technological skill will be devoted to keeping us in their thrall. After all, commercials still are essential to covering the costs and providing the profits of much of what we enjoy on whatever screen we choose to do so.