

Broadcasting Markets and Audience Choices: the Limits of

Policy-making in a European Context: the Laws

- Britain as the ‘odd one out’ – sharing a language with the US
- Implications for policy
- UK definitions of public service *broadcasters* (2003 Communications Act)
Compare: TWF/AVMS approach & quotas on all channels for European production

Policy-making in a European Context: the European Treaty

- 1997 Protocol on Public service Broadcasting in the Treaty of Amsterdam
- Member states may ‘provide for the funding of public service broadcasting... insofar as such funding does not affect trading conditions and competition’ (Goldberg98:19)

The Limits of Policy-making

- Audience Choices
- Money and Markets
- ‘Digital Britain’ (2009) and Government Policies

Audience Choices (1)

- Twenty years of satellite & cable revolution: 1988-2008
 - Share of the television audience in 2009
 - UK's most watched channel: BBC1 with 20.1% share
 - UK's most watched Sky Channel: Sky Sports with 1.6% share
- (Broadcast, 9.10.09, Wk of 28.9.09:42)

Audience Choices (2)

- 495 channels broadcasting in 2008 (OCMR, 09:67)
- 5 terrestrial/”PSB” channels take 61% share of total audience viewing in 2008.
- All the rest take a 39% share (Broadcast, 9.10.09: 40).
- Relative success of terrestrial/PSB channels

Audience Choices (3)

- Proportion of Digital TV Homes up from 43% in 2003 to 87% in 2008
- Proportion of Digital Homes paying for subscription TV down from 80% in 2003 to 53% in 2008 (OCMR, 09:67)

Audience Choices (4a) Top Ten

- Top 10 channels in 2009 (Broadcast, 9.10.09:42, Wk. of 28 Sept09, digital homes)
- BBC1: 20%
- ITV1: 18%
- BBC2: 6.9%
- Channel 4: 6.7%
- Five: 4.7

Audience Choices (4b) Top Ten

- ITV2: 2.7%
- E4: 1.8%
- ITV3: 1.7%
- Sky Sports1: 1.6%
- CBeebies: 1.4%

(Broadcast, 9.10.09: 42; week of 28 Sept.09)

Money and Markets (1)

- Where does the money come from?
- UK TV Industry revenue, 2008
 - Subscription: 39%
 - Advertising: 31%
 - 'Public Funds': 24%

(OCMR, 09: 67)

Money and Markets (2)

- Growth of Internet Advertising in the UK.
- As a proportion of total UK ad revenue Internet Advertising rises from 2.5% in 2003 to 23.5% in the first half of 2009.
- Value of Internet advertising overtakes TV advertising for the first time, in the first 6 months of 2009.

Guardian, 30.9.09 'UK advertisers spend..'

Money and Markets (3)

- UK TV Revenues in European Context

- Per capita annual revenues in 2007:

- UK: £172
- Germany: £113
- France: £109
- Italy: £109

OICM 08: 139

Money and Markets (4)

- Spending on original, first-run production in the UK
- 90% of investment comes from the 5 terrestrial PSBs.
- 10% of investment from the multi-channels.

(O2ndPSBR09: 34)

Money and Markets (5)

- Decline in UK spend on original production
- £3.1b in 2003
- £2.6b in 2008
- A loss of £500m of investment in original production in a period of 5 years and a clear trend.

(OCMR09: 67)

'Digital Britain' White Paper, 2009: Government Policies (1)

- Much of DB is about broadband internet access and use.
- Issues of copyright
- Value of spectrum
- Boost to general economic success from internet use and consumer telecoms.

'Digital Britain' White Paper, 2009: Government Policies (2)

- How to maintain UK's success in export sales (TV programmes and formats).
- How to stem the flow of investment out of original TV production.
- How to support Britain's PSBs.
- A mix of economic, cultural and political arguments.

'Digital Britain' White Paper, 2009: Government Policies (3)

- General problems: increased market competition reveals vulnerable genres: news, drama, childrens, current affairs.

In addition.

- BBC 'too big'?
- Channel 4 'too poor'?
- ITV losing its commitment to regional and local news.

'Digital Britain': Proposed Policy Solutions (1)

- Refresh local democracy by stemming losses in local journalism (press & TV).
- Give Ofcom new duties to promote investment in content.
- Emphasise 'plurality' of provision (i.e. 'not only the BBC').
- Identify new sources of revenue for C4.

'Digital Britain': Proposed Policy Solutions (2)

- Most emphasis has been on local news (nations & English regions).
- Remedying reduced ITV investment here.
- Proposing use of Licence Fee to meet part of cost of new 'independently funded news consortia' (IFNCs)
- Proposing 3 pilot services in 2010

'Digital Britain': Proposed Policy Solutions (3)

- DCMS summer consultation on local news introduces concept of 'contained contestability' in use of Licence Fee.
- Government argues LF does not belong to BBC exclusively.
- Government proposes 3.5% of LF (underspend of Digital Switchover fund)

'Digital Britain': Proposed Policy Solutions (4)

- Opposition to Government on 'contained contestability' has emphasised perceived dangers of 'top-slicing LF.
- No precedent for awarding LF money to BBC's commercial competitors.
- Defence of CC/TS 'there must be choice'

'Digital Britain': Proposed Policy Solutions (5)

- What choices and for whom?
- Value for money case in respect of BBC use of LF (less value when transferred away from BBC).
- Post-Charter Renewal (2006) new procedure for scrutinising BBC services
- Closure of Jam, stopping of 'Kangaroo', questioning 'Canvas'; allowing I-player.

'Digital Britain': Proposed Policy Solutions (6)

- Whose interests are served by asking if the BBC is too big?
- Whose interests are served by closing 'jam' and preventing Kangaroo?
- Both BBC Trust and government seem mindful of prohibition on undue market interference in Amsterdam protocol.
- But: no recognition of 50%+ quota rule in AVMS.
- Policy options of levies to remedy deficit ignored.