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LIVING WITH COMPETITION IN A MULTI-CHANNEL WORLD

By

JOHN D. LIU

Paper No. 19
Living with Competition in a Multi channel World

John D. Liu

The Television Trust for the Environment

Ladies and Gentlemen:

Robert Lamb, the executive director of the Television Trust for the Environment, has asked me to convey his sincere regret for being unable to address you. His families recent lose required that he remain in England. He has asked me to take his place. I will do my best.

By way of introduction please let me say that I am honoured to address you. I would like to thank all the organisers for having created such an interesting and important forum. I am also proud to be here representing the Television Trust for the Environment. Since its founding in 1984 by the UNEP, the WWF and Carlton (then Central) Television of the UK the TVE has been devoted to using television to help to educate the people of the world about Environmental Conservation and Protection.

This is especially important for China where I am the Director of the Environmental Education Television Project for China the TVE’s national programme there.

I am not here to talk about my work but I hope that if in the future you have a chance that you will all support this most necessary effort.

I hope that I can add a different perspective to the discussion on living with competition. I have some experience and some thoughts that I am glad to share with you.

It is clear that none of us each decide what the future will be. Many factors outside of our control effect the future. Regulation which may differ from place to place, deregulation which may be forced on the industry,
changing technologies that are not yet standardised, macro economic upheaval and various political developments all will play a part in shaping Broadcastings future.

What we do know is that we are involved in a paradigm shift. Whatever happens to our industry it will never be the same as it once was. It may even be changed beyond all recognition.

As we are all aware and as we have heard yesterday and today. Television is a very mature technology. With Terrestrial Broadcast, Basic Cable, Pay per view, Direct Satellite, Video, VCD, DVD, digital streaming on the internet, video on demand. And I might go further to note that the technology is far greater than only these consumer uses. Consider medical research that allows a television camera to travel through the human body, or the ability for a medical specialist to advise a colleague from anywhere in the world, or television images from space or undersea exploration and many more amazing uses.

Television is great. With Television we can communicate with every person who has access on earth, simultaneously and instantaneously.

But what do we say. Most of us here are connected to public service broadcasting and as such have a commitment to what we are calling “quality”, but we don’t seem to represent all the broadcasters. Many who are not here clearly do not share the belief that television must perform a public service role. Your commitment is wonderful and your concern is understandable.

Robert Lamb was commissioned and wrote a report for UNICEF called “The Bigger Picture” a survey of the audio visual landscape 1997 - 2000 and recommended action. I recommend it to you all. I have left a copy with our hosts and you can request one from UNICEF or from the TVE in London.

In “The Bigger Picture” Robert notes that there are 2 contradictory developments effecting the landscape that he calls the Broadcasting Paradox. While there are many new specialty channels and delivery methods that offer
opportunities for programming to reach targeted specialised audiences, the lions share of the audience remains watching the major traditional terrestrial channels.

So while the landscape has changed .... it has also stayed the same.

Another conclusion that Robert draws in the Bigger Picture; is that everywhere Local Programming is the majority of what people want to watch. In Hong Kong, India, Malaysia, New Zealand, Chile or China you find the same result. Contrary to what was feared by trans-border broadcasting ... deregulation is helping to prove that local culture can survive and even thrive in a global market.

So, at least for the short term, as was pointed out yesterday, technological changes which are foreseen are still some way off. And proven trends mean that there is still a great opportunity for those who make local programming well.

The “Bigger Picture” found that Terrestrial Broadcast and Local Content are doing well but Public Service Broadcasting is not faring as well.

More and more often “Quality” programming is being consigned to minority viewing slots. Prime time is becoming tabloid time in many, many markets. The justification is that that is what the viewers want because the ratings for this are so high.

Woody Allen in one of his movies plays a TV comedy writer who one day quits. He is watching the taping of a show and he says “This is garbage I quit” .... The director in the control room says “What are you talking about ... listen to the audience ... they love it!” and the Woody Allen characters says.. “You go by audience reaction?.... This is an audience who’s standards have been systematically lowered for decades”.

If Television Technology is mature the Television Industry is not always mature in the strictest sense.
Living with competition in a multi channel world is a good topic but we also have to realise that we must live with each other and ourselves. And what we put on television matters. If to compete means that we should increase the amount of sex or violence, or spread rumour and innuendo, or pander to prejudice, or sensationalise the ordinary to punch up the ratings then I think we are going to come to a very bad end.

My fear, echos some of the other speakers and is for the relevance of Public Service Television. When public service television forgets about public service, then it will no longer be necessary governments and taxpayers to support them. If public service television is trying to compete on a so-called level playing field it must always lose ... the sad reality is that 2 guys in a garage with a betacam can make topless darts for a whole lot less than a public TV station. If Public television tries this route it will lose its reason for existence.

Television is a very powerful medium. Power needs to be handled with great care. Here I would also like to say that I agree with the discussion yesterday that teaching media literacy that leads to responsibility by producers and broadcasters is more effective than regulation and probably more likely. Rules can seem to be made to be broken. Whereas a person acting responsibly because of his beliefs is less likely to be subverted. I wish all my colleagues in broadcasting were as thoughtful as those who are here. But they are not. And they are why we are having this discussions. Because they are our competitors.

However, if the choice is between regulation by recognised international norms of decency or control of the crucial gateway to a strictly commercial forces I think I could be convinced that regulation.

The question is how to live with Competition: I would suggest that there are different ways to look at our work. For instance, if we are just doing a job then we are certainly in competition and the competition is growing.
But if we are pursuing our life's work then we are not in competition with anyone. I know no one is trying to compete to make my life's work. If there were I wish I know who they were because I could use some help.

I don’t know about you but I have never felt that production or broadcasting was just a job. For one thing the hours are too bad and if it was just a job I would have quit long ago....but its not. Its a gift and responsibility. Its so much fun ... and so important .. but we had better get it right ... because what we communicate to people is not only entertainment ... it is incorporated into their lives .... and knowing this we shouldn’t be surprised when life starts imitating television.

Enormous technological advances are what is driving the multi-channel phenomenon. The movement from Analogue to Digital will further speed this growth. As I mentioned before and as other speakers have pointed out there is still some time before the landscape is unrecognisable. Sometimes I sense a fear of the coming changes but from other perspectives the technology can also offers some answers. Lack of money for investment in the new technologies has been discussed and it is ironic that one way in which technology can assist is actually cost reduction. While there is a learning curve, issues of standardisation and initial investment costs, digital production is going to ultimately lower costs for production and distribution. What won’t change is that we are all going to need to make good programming with whatever equipment that we have.

As a field producer when I see camp OJ, or a Monica Lewinski situation, or just daily fare ... I count the cameras and multiply by $60,000 and then try to guess the salaries of the correspondents, cameramen and technicians. The results are often depressing. It is often a huge waste of manpower and equipment and money. I think there is room for economy here. And this could help to live with competition.
For some it may seem that the entry costs are too high for digital technology. We heard this yesterday and again today. But I think that while a wholesale change to digital technology is clearly too expensive for some public service broadcasters, including some here, a gradual migration to digital that allows improvements in cost/benefit and qualitative improvements in certain areas, can increase productivity and do two things. One, lower costs per minute of programming produced without sacrificing technical quality. And two, it can increase revenue if creative ways to market our product are searched for and found.

While I believe that the key to good programming is responsibility I think it is necessary to see and analyse what works in private television. In this case competing does not mean making the same programming that they are but adopting some of the methods of production and cost efficiency that are working for private television.

I thought that yesterday’s discussion by Ms. Lau had the seeds of an answer. With synergy between various organisations that share the same goals, it is possible to do some very powerful things which even money cannot buy. By creating “teams” between catalytic organisations, academics, independent production professionals, and broadcasters, all the required skills and the enthusiasm and excitement that mark a successful production can be brought together with lower costs and diversified risk.

Responsibility alone is not enough. Responsibility has to be paired with Pragmatism. Fundamental changes in inefficient State broadcasters are inevitable. These are taking place in the well endowed networks like the BBC and ZDF and for less well endowed networks it is even more necessary. This has to be faced and the sooner the better for the purposes of survivability.

Many speakers have discussed their responsibility to educate and inform as well as entertain and many have stressed the lack of money. But only a few have pointed to a central fact. We have a product. The better the product is
the more valuable it will be. The better it is the better it will travel and the easier it will be to sell.

One way to look at the multi-channel world is to see an opportunity to market your programming around the world. This is what the BBC is doing. This is what the American Networks have done for decades. This is what all of us had better do to stay in the game. Not make less public service programming but make more, with more economy using applicable new technologies (in small evolutionary doses) and distribute it as widely as possible to earn, not profit, but revenue.

I would go further and suggest that there is even room for diversification. In many areas public service broadcasters have skills and resources that can be leveraged and are extremely valuable on the market. While not in the traditional mandate Public Service broadcasters need to incorporate service, training, production, co-production and distribution in a more market oriented context. This can also provide revenue. And can make what if not utilised is outmoded infrastructure into revenue generating ancillary business divisions.

The Chinese word (Wei Ji) for Crisis, means danger and opportunity. The Multi-Channel world is a Wei Ji situation. There is danger because the old ways of doing things will not work. But there is also opportunity.

There are potential cost savings from successfully navigating and integrating some digital technologies.

There are potential revenues from expanded distribution and wider marketing for those who can produce compelling programming that will travel.

There are potential partnerships that can greatly enhance the chances to produce successful programming while diversifying the risk.
Public Service Broadcasters have a role. They have to stress this role to justify their continued relevance. The key for living with competition in a multi channel world may be to view the developments which we cannot after all stop, not with fear but with excitement and to do our best to adapt what we do in the the public interest even better and with a better delivery system to deliver it to an even wider audience. Thank you.