This item is the archived peer-reviewed author-version of:

Decline and fall of public service media values in the international content acquisition market : an analysis of small public broadcasters acquiring BBC Worldwide content

Reference:

Donders Karen, Van den Bulck Hilde.- Decline and fall of public service media values in the international content acquisition market : an analysis of small public broadcasters acquiring BBC Worldwide content
European journal of communication - ISSN 1460-3705 - (2016), p. 1-18
Full text (Publishers DOI): <http://dx.doi.org/doi:10.1177/0267323116635833>

The decline and fall of public service mediaⁱ values in the international content acquisition market: An analysis of small public broadcasters acquiring BBC Worldwide content

1. Introduction

This contribution analyses a little-researched aspect of public service media (PSM), namely its television programme acquisition strategies, and discusses these against, on the one hand, the public service mission and, on the other hand, concerns for a further homogenisation of broadcasting content. It does so by focusing on the relationship between European PSM institutions and BBC Worldwide, a commercial subsidiary of the BBC, which 'exists to support the BBC public service mission and to maximise profits on its behalf'.ⁱⁱ Essentially, BBC Worldwide commercializes BBC content around the world, in its own words, 'in a way that is consistent with BBC standards and values'.ⁱⁱⁱ Indeed, citizens in countries as diverse as Belgium, Finland, South Africa and Chile can watch high-quality British fiction, children's programmes like Teletubbies, and the celebrated Earth documentaries, acquired by local broadcasters. In 2013, the company earned £1.116 billion; profits of £156 million were returned to the BBC (BBCWW, 2013a), pushing the BBC group into 16th position in the worldwide ranking of audiovisual companies in terms of turnover and the second largest European group after French Vivendi Universal (EAO, 2013).

BBC Worldwide received some criticism in Britain for being overly aggressive and expanding into areas not covered by the BBC remit, for instance, in the acquisition and later sale (with a deficit of £80 million) of Lonely Planet (Plunkett, 2013; see also Mjøs, 2011). In general, however, little or no critical reflection exists with regard to the sales of programmes and formats outside of the UK. Instead, as profits from these sales are first and foremost benefitting BBC and BBC Worldwide investments in [programme?] content, they are

appreciated by both policy makers and UK citizens. Very little criticism can be observed outside the UK as well; on the contrary, several scholars (Hendy, 2013; Authors, 2012a) point out that the BBC is often considered the ideal-type public broadcaster.

Against this background, we assess to what extent BBC Worldwide realises its PSM-oriented claims in its actual performance in the international acquisition market. First, we elaborate on the core values of PSM against which the BBC Worldwide activities can be evaluated. Second, we provide some need-to-know information on the activities, objectives and control of BBC Worldwide. Third, we analyse whether or not BBC Worldwide behaves in a way that is consistent with the BBC's status as a PSM organization. To this end, we used a comparative approach and conducted expert interviews with representatives from PSM organizations responsible for content acquisition. We focused on PSM from smaller EU Member States (i.e. the Netherlands (NPO), Ireland (RTE), Denmark (DR), Norway (NRK), Sweden (SVT), Flanders (VRT), and the Basque Country (EITB)^{iv,v}), as we expect them to be more dependent upon the acquisition of (premium and other) foreign content than large PSM institutions (Picard, 2011: 48ff; for an elaboration of the challenges small countries face in the media sector and media regulation, see Puppis, 2009). Except for the Basque Country, [the?] selected regions and countries fit Hallin and Mancini's (2004) liberal and democratic-corporatist media models. One might expect that Ireland and the Netherlands —being examples of the liberal model — are more susceptible to the commercialization of their PSM system, in this case in terms of the acquisition of content. The Basque Country is a bit of an anomaly, and as such, may highlight some of the particular challenges faced by poorly funded public broadcasters in Southern Europe. Semi-structured interviews were conducted in the first half of 2014.^{vi} The result section first discusses the essential features of deal-making in content acquisition and the specifics of public broadcasters negotiating these deals. Second, it elaborates on common practices in the international

sales/acquisition market, the importance of distributors besides BBC Worldwide, and emerging trends and players. Attention is devoted to the impact of digitisation, changing business models, and changes in competitive market structures. Finally, we draw conclusions regarding the impact of programme sales and acquisition on PSM's mission.

2. The core values of public service media and content acquisition: a (mis)match?

The DNA of public service media

There is no single, universal and conclusive definition of what exactly PSM is or what the organizations delivering public media services should do. Various scholars put forward goals like pluralism, diversity, social cohesion, quality, universal service delivery, etc. that are at the core of public service communication policies and institutions (see, among others, Tracey 1998; Price and Raboy 2003; Aslama and Syvertsen 2007).

In this study, we propose five core values found in literature on public service broadcasting (PSB) and on the shift from PSB to PSM, as well as in public broadcasters' own mission statements and the PSM values list identified by the EBU (2013).

1. Universality: Public broadcasters' content should be available and accessible to all citizens, regardless of their geographical location, their ability/willingness to pay, their gender, ethnical background, etc. (Garnham, 1990). Reaching all audiences - and thus play their role in stimulating public debate and contributing to social cohesion - increasingly means distributing PSM content and different types of related services through various platforms and devices. In that sense, limiting broadcasting technology for PSM is not an option (Authors, 2012a: 44ff). Universality is also seen to go beyond mere mass communication of services to

include and promote participation, co-creation and interaction. Although often used as buzzwords to sustain technological optimistic visions on evolutions in society (Authors, 2008), they are conceptual expressions of the increased importance scholars attach to a more equitable and two-way relationship between public broadcasters and audiences (Bardoel and Lowe, 2007).

2. Quality and distinctiveness: Public broadcasters should distinguish themselves through the quality of their services; they should be distinctive from what others offer. While notoriously difficult to measure, these concepts are part of ongoing discussions regarding the performance of public broadcasters and the wider validity of the PSM project in an alleged 'era of abundance'. However, offering high quality and being distinctive is not the same as being a niche player. Although commercial media companies, some policy makers and some scholars advocate a complementary, gap-filling role for PSM, and most scholars agree on the need for an holistic, full-portfolio approach (Bardoel and D'Haenens, 2008: 344).
3. Creativity and innovation: Public broadcasters should offer creative services, provide a safe harbour for experiment and engage in innovation in service and technology (Cunningham, 2009: 85), particularly in internationalizing media markets where innovation is under pressure (Cunningham, 2015). public broadcasters' role in technological innovation in particular has met with criticism from commercial players. They argue against this task for public broadcasters, whereas policy makers often acknowledge that public broadcasters can act as a lever to enhance broadband connectivity, can stimulate the transition to new standards such as DAB+, and can pool resources by working together at a European level (Authors, 2012b).
4. Identity construction and diversity: the identity-building aspect of PSM largely refers to a process of unification around a nation, language and/or culture (Authors,

2001), while the diversity aspect is centrally concerned with reflecting the growing fragmentation within national states and with catering to minority interests as well as the diversity of cultures globally (Authors, 2015a). While these aims seem antagonistic, they are important PSM goals. Identity construction is increasingly related to the economic objective of strengthening local audiovisual production (Bardoel and D'Haenens, 2008: 343). Showing diverse content and reflecting the diversity of cultures relates to homogenisation or rather to withstanding the pressure to acquire dominantly Anglo-Saxon content, which is appealing to mass audiences and widely available in the international market for content acquisition (see below).

5. Accountability: editorial independence is key to PSM (Council of Europe, 2009), yet so is accountability to citizens and legislators. Accountability relates both to the existence of formal control (through independent monitoring bodies or self-regulatory agencies) and to a general attitude of transparency and responsiveness to society (Baldi, 2007: 17-19; Authors, 2015b).

PSM and content acquisition

Academic and policy discussions about how public broadcasters should fulfill these goals through television programming mostly focus on homemade programmes. Traditionally, public broadcasters tried to fulfill their threefold responsibility to inform, educate, and entertain through universalist programming, targeting a general audience while paying attention to a variety of tastes and interests. The requirement to articulate and promote national identity and, in contemporary terms, social cohesion, have always resulted in an emphasis on **homemade** programmes (Scannell and Cardiff, 1991; Tracey, 1998; Authors,

2001). In contemporary settings, governments still create thresholds that public broadcasters must meet regarding domestically produced content.

Nevertheless, this goal/standard/quota was never entirely fulfilled by the use of domestically produced programmes, as budgets and opportunities pushed public broadcasters, particularly smaller ones, to acquire part of their programmes from elsewhere. Early Flemish public service television, for instance, selected and bought American films and television series, European cartoons and factual programmes on the basis of its PSM goals (Authors, 2001). Up until the 1980s, PSM's national monopolies provided them with leverage in negotiations for programme acquisitions. The arrival of commercial competitors and the expansion in broadcasting hours from the late 1980s onwards complicated and intensified acquisitions (Spada, 2002). Negotiations became more competitive, although the different branding of public service and commercial television resulted in different acquisition policies. Different PSM institutions could also be seen to adhere to different strategies. For instance, in 2003-2004, 43,2% and 38,8% of Flemish-Belgian and Walloon-Belgian public television's programming respectively consisted of internationally acquired programmes. The former invested most in **home-made** fiction and entertainment, buying documentaries, children's programmes and high-quality British fiction. The latter invested in domestic production of factual and serious programming, buying predominantly entertainment (Authors, 2007). In the past decade, public broadcasters have been confronted with new competitors as television diversifies both as a technology and a medium. Innovations such as time-shifting and video-on-demand make it harder to use the term 'television' with the meaning it has held until now; 'broadcasting' and 'content provision' no longer seem to cover the same processes and options, causing some to suggest 'the end' of television (e.g. Olsson & Spiegel, 2004). An array of competitors such as OTT players are eating away television channels' revenues and audiences. This has

created new competitors on the international acquisition market and possibly alters the strategic position of linear (public) television in this market, as this contribution will analyse.

The programming of entertainment, but also of American imports, provoked some scholars to criticize public broadcasters for pursuing audience ratings instead of goals such as quality, creativity, distinctiveness from commercial offers, diversity of content, etc.

Thus the strategies pursued by European public service broadcasters are particularly damaging because they have distanced them from their public service mission [...], the pursuit of audiences taking priority over the search for quality or originality. [...] Is this enough to give public service television in the year 2000 goals which match the mission they were given when they were set up? (Achille and Miège 1994 quoted in Biltereyst 2004: 345)

This criticism brings the issue of PSM acquisitions into the realm of long-standing discussions regarding the impact of foreign programming on European cultural diversity. Many studies in communication sciences have dealt with the issue of selling and acquiring (mainly US) content. Audiovisual content flows, so it has often been argued, are determined by the process of cultural imperialism, with content flowing from the US to other parts in the world (Varis, 1985; Boyd-Barrett, 1977; Schiller, 1976). An underlying problem, some contend, is the damage to particularly smaller national cultures and identities and, also, to cultural diversity (Hopper, 2007: 114; Hannerz, 1992). Increasingly, this damage is difficult to offset on the basis of government intervention (Gibbons and Humphreys, 2012). The cultural imperialism thesis has been criticized for limiting instead of illuminating research on dependencies (Morley, 2006), modified (Thussu, 2007), put in context (Tomlinson, 1999),

and counter-argued against for ignoring the importance of cultural proximity and processes of local adaptation (Straubhaar, 2014: 29; 2003: 85). It has been re-defined as an exponent of new imperialism (Nordenstreng, 2013: 353-354), meaning that cultural imperialism is no longer a matter of cultural dominance of one but several centres in the world and that these centres do not necessarily fit one-on-one with nation states. Apart from the assumption that public broadcasters should be distinctive from the commercial players in the market, however, little attention has been paid to the role of public broadcasters in international programme sales and acquisitions, a shortcoming this contribution aims to rectify by focusing on the inflow of foreign programmes, notably the importance of UK imports for public broadcasters in Europe. We also look at the worldwide export of content – the practices, changes and challenges in the international sales/acquisition market and the position public broadcasters take in this as sellers, notably BBC Worldwide, and as buyers, notably small European PSM players.

3. BBC Worldwide strategies to conquer the world's media markets

Established in 1994 to increase the BBC's commercial activities and given permission under the 1996 BBC Charter to expand into international markets (Mjøs, 2011), BBC Worldwide's official aim today is summarised in its slogan: 'Entertaining the world, bringing value to the BBC'. As the commercial arm of the PSM organization BBC, its goals include:

Investing in, commercialising and showcasing content from the BBC around the world, in a way that is consistent with BBC standards and values. The business also builds the reach and reputation of the BBC brand overseas and champions British creativity. (BBCWW, 2013b: 2)

BBC Worldwide creates extensive economic revenues in five areas, flowing back to the funding of BBC public service content and new commercial initiatives (see table below).

Operating business	Description	Headline sales 2012/13
Channels	34 international, BBC-branded TV channels, Global BBC iPlayer, 10 UKTV channels, affiliate sales for BBC World News.	£369.1m
Sales/distribution	Distribution finished TV programmes to 700+ broadcasters and digital platforms worldwide.	£312.3m
Consumer Products	Production and distribution of TV-based packaged media: video (DVD, Blu-ray and download-to-own (DTO)), licensed merchandise, music, book and audio publishing partnerships. Also BBCShop.com.	£181.6m
Global brands	Enhancing long-term value of BBC Worldwide's major brands, creating closer consumer engagement, identifying and cultivating emerging businesses (Live Entertainment, Digital Entertainment & Games).	£141.1m
Content and production	Developing, commissioning and acquiring content for all BBC Worldwide businesses, including partnership deals with indie sector and primary relationship with BBC production	£151.2m

Table 1: Activities and revenues of BBC Worldwide (source: BBCWW, 2013a: 14)

The table shows that a considerable part of its economic activities is based in programme sales, the focus of this article. Note that not all BBC content is automatically distributed by BBC Worldwide, and that BBC Worldwide also represents over 200 independent UK production companies.

Despite its commercial starting point and aim, BBC Worldwide stresses its allegiance to public service values, which it defines in four criteria:

fit with the BBC's public purposes; not jeopardise the good reputation of the BBC or the value of the BBC brand; exhibit commercial efficiency; and comply with the BBC Trust's Fair Trading policy, the BBC's Fair Trading Guidelines and, in particular, avoid distorting the market. (BBCWW, 2013b: 3)

One aim of this study is to assess to what extent these claims are realised in BBC Worldwide's actual sales policies and to what extent they are experienced by its customers, especially smaller PSM institutions. We further assess whether these claims regarding respecting public service values are compatible with BBC Worldwide's strategic goals for the coming years: i.e. driving digital growth, becoming more international, growing the scale of its tv-channels, increasing investment in new content, and developing more direct connections with consumers (BBCWW, 2013b: 14).

4. The market for content sales/acquisition and BBC Worldwide

The importance of acquisition for public broadcasters

The amount of content public broadcasters acquire in the international market place and the amount they actually broadcast differs between broadcasters. For Dutch public broadcaster NPO, for example, acquisition takes up just 7 to 9% of the broadcasting schedule (interview NPO, 29/04/2014), while RTE broadcasts approximately 25% and 65% of acquired content on RTE1 (family channel) and RTE2 (targeting younger audiences) respectively (interview RTE, 08/05/2014). Swedish public broadcaster SVT estimates 44% of its entire schedule consists of acquired content (interview SVT, 06/05/2014)(for officially reported numbers see table below). Notably, the proportion of acquired programmes is higher outside prime time.

2013	Country	Acquisition (% broadcasted hours)
RTE	Ireland	67,4
France Télévisions	France	57,5
DR	Denmark	56,0
NRK	Norway	52,9
SVT	Sweden	50,0
YLE	Finland	49,6
ORF	Austria	43,1
ZDF	Germany	40,8
VRT	Belgium (Flemish Community)	39,9
BBC	United Kingdom	8,7
NPO	The Netherlands	7-9 ^{vii}

Table 2: Proportion of acquisition in public broadcasters' schedule (source: based on EBU figures for 2013, annual reports of PSM institutions involved for the same period, and insights from interviews)

The types of content purchased also differ considerably between PSM. Each institution has its own specific notion of what should be bought (and what should be domestically produced). For instance, the Basque EITB, following competitive shifts in its relevant market, mainly buys children's programming. Others focus on quality fiction. Interestingly, several public broadcasters have a paradoxical relationship with acquisition, considering it inferior to the domestic programming that obtains most of the programme budget and that is subjected to government obligations (e.g. quotas).

With the exception of Dutch PNO, all public broadcasters obtain a majority of their acquisition (40% to 90% of available budget) through 7 to 10 distributors, including the US majors, BBC Worldwide, other UK distributors like All3Media, and some international distributors like Endemol or Freemantle. They work with many distributors, however, of which the number can easily exceed 100.

General practices in the market for content sales/acquisition

To evaluate the position and sales practices of BBC Worldwide, they must be understood as part of the wider dynamics of sales and acquisitions in the international television content market. In general, it can be considered a 'normal' seller-buyer market. On the one side is a small number of powerful distributors, owning a huge portfolio of film, series, documentaries and other programmes, and an array of small distribution companies that specialise in PSM content, children's fiction, animation, historical documentaries, art house film, etc.. On the other side is a large number of buyers, including PSM institutions, commercial broadcasters, pay-television operators, OTT-players like Netflix, etc. In general, three types of contractual relations between sellers and buyers of content can be distinguished: output deals, volume deals, and single product sale/acquisition.

First, output deals mostly occur when worked with American distributors: i.e. Disney, CBS, Paramount, NBC Universal, Sony, Fox (the so-called 'majors'), MGM and HBO. The content distributor specifies how many (hours, episodes or number of) movies or series a buyer procures in a period of three to four years. The deals often include parts of the 'library' (older content). This means that an interested party has to buy, for example, five American series of twenty episodes each, even if there is not enough interest in or room in the schedule for the fifth series. Output deals are costly and some acquired content is never

aired. The majors often conclude long term deals with one broadcaster in a national market, which guarantees exclusivity and results in fierce competition and increasing prices. Several PSM interviewees indicated they refrained from output deals, for various reasons: they cannot compete with commercial broadcasters, they do not have enough hours available (interview NPO, 29/04/2014), not all content fits the public service remit or, related to the latter two, they consider it inappropriate to spend taxpayers' money on content that remains on the shelf (interview VRT, 01/04/2014). Irish public broadcaster RTE has an output deal (with Disney) and broadcasts nearly all of the acquired content (over 98% of stock). Horan Dermot, acquisition manager at RTE, justifies this by referring to audiences' expectation to view American films on public television. Few of the interviewed public broadcasters collaborate with commercial competitors to acquire content. They have not really considered it, find it sub-optimal to deal with content distributors indirectly, or have experienced difficulties in striking a deal (interview RTE, 08/05/2014; interview NPO, 29/04/2014). In Flanders, public broadcaster VRT regularly sub-licenses volume from commercial broadcasters Medialaan and SBS Belgium. There is a mutual benefit: VRT can broadcast films and/or documentaries it would not otherwise have access to, while Medialaan and SBS Belgium recoup part of their expenses by sub-licensing content that does not fit their commercial brand (interview VRT, 01/04/2014). SVT (interview, 06/05/2014) and DR (interview, 19/05/2014) suggest similar collaborations, provided there are sound agreements on first, second, third, etc. pick in the consecutive years of the deal.

We have a five-year deal with the local broadcaster that works through a matrix. When they go to LA, they get first and fourth pick, last year second and fifth pick, next will be third ... So, this is a clearly delineated deal. However, if they have in their pick a programme that is more PSB, then they will give it to us. We also

do sub-licensing: we have the first and second run of Downton Abbey, but they get the third and fourth run, as we are anyway not interested in that kind of re-runs. This is a very interesting cooperation with a commercial channel, but it is the only one of this kind that we have. (interview SVT, 06/05/2014, on the agreement with Viasat NGG for the output deal with NBC Universal)

Finally, the Basque PSM EITB participates in an output deal with a Spanish sister-PSM institution (interview EITB, 04/06/2014). Output deals tend to result in rather uniform content provision by broadcasters (i.e. American crime series, Hollywood blockbusters, ...) because of their aim to secure audience ratings.

Second, some distributors (not the majors) conclude volume deals. Here, seller and buyer agree on an amount of money the buyer will spend (sometimes specified for content types) for a number of years. The seller is guaranteed a fixed amount spent and, in return, the buyer obtains first option. BBC Worldwide prefers volume deals because they help ensure that different genres in its catalogue (e.g. documentaries) are acquired on a stable basis. Flanders and Ireland have such a volume deal with BBC Worldwide, while the Dutch public broadcaster NPO does not. The latter is mainly due to the limited hours in the Dutch schedule for acquired content. Most public broadcasters have volume deals with BBC Worldwide, with some American majors (mainly left-overs from output deals with commercial competitors), and, in Ireland, with Endemol (230 episodes/year of Australian series Home and Away) and Eyeworks (250 episodes/year of Australian series Neighbours). Volume deals can thus vary from comprehensive deals relating to a portfolio of several first option series, documentaries, children's programmes, etc., over a limited amount of soap

series (with daily episodes), to one soap (with daily episodes). The former at least ensures the acquisition of diverse genres (albeit often of the same origin), the latter furthers homogenisation, similar to output deals.

Finally, sellers and buyers can engage in a single product contract: i.e. one film, one documentary, one television series, etc. All public broadcasters indicated they have numerous such contracts. In some cases, these one-offs represent the majority of acquisition activities. Single product contracts are signed with bigger content distributors like US majors (often the leftovers of volume deals, e.g. SVT's Homeland from Fox) (interview SVT, 06/05/2014), with BBC Worldwide and other UK content distributors (like All3Media), Endemol and Eyeworks, but also with smaller players such as sales departments of European public broadcasters. Sometimes, single product acquisition constitutes a 'pre-buy' (e.g. based on a manuscript) of content not yet produced. For instance, DR pre-bought Millennium, based on the book trilogy of Stieg Larssen (interview DR, 19/05/2014). Pre-buying is a competitive strategy for broadcasters and allows production companies to obtain a full budget for their projects, especially expensive fictional series. Potential risks of pre-buying are countered by the expertise of the PSM acquisition departments.

The relevance of BBC Worldwide as a distributor for public broadcasters in Europe

All interviewed PSM professionals agree that BBC Worldwide is a relevant distributor for European public broadcasters. BBC Worldwide's diverse portfolio fits their remit with a wide variety of genres (interview VRT, 01/04/2014): drama, historical documentary, nature, children's programming, etc. For smaller public broadcasters, some of these genres are too expensive to produce (interview RTE, 08/05/2014). Most public broadcasters thus feel they need BBC Worldwide content to meet certain public service obligations. At the same time,

public broadcasters recognize their relevance as buyers for BBC Worldwide, as some content would be difficult to sell to commercial media players. The 2013 BBC documentary series Africa, for example, was very expensive (as BBC Worldwide sells at production value) and unlikely to be bought by a commercial broadcaster.

We are more attractive to do deals than our commercial competitors. Our commercial competitors would certainly be willing to buy Eastenders because it would do very well with them, but they are less interested in pre-school or natural history, programming that is public service. BBC [Worldwide] likes to sell in packages and across all of their genres of programming [as] BBC these days will only fund a percentage of [the broadcasted] programmes. [...] They are relying on BBC Worldwide to make the sales of the programmes. (interview RTE, 08/05/2014)

Similarly, SVT considers itself 'an interesting buyer: we buy everything from science to children', meaning: 'they can sell more to us than to commercial channels' (interview SVT, 06/05/2014).

Overall, most public broadcasters seem quite satisfied with their relationship with BBC Worldwide, whom they consider a logical partner (interview NPO, 29/04/2014). While RTE points at a closer relationship (interview RTE, 08/05/2014), most interviewees emphasise that, apart from the content they sell, BBC Worldwide has no PSM reflex. According to them, it operates completely separately from BBC and, as distributor, behaves like all other distributors. This is part of the everyday business reality, as other PSM sales departments behave in an equally commercial way. This indicates that the strategic goals of BBC WW

prevail over the public service remit of BBC in its day-to-day practices. It also, and perhaps even more importantly, hints at the implicit opinion of public broadcasters that their commercial subsidiaries should be able to escape the burden of public service values/obligations and, hence, be subject to lesser control and lower levels of accountability.

[BBC Worldwide is a] ...Zero public broadcaster. And I think that is a good thing. It is the only way for them to play along. ... Imagine if they were different and gave preferential treatment [to public broadcasters], they'd close their business in no time because they wouldn't be reacting to what is happening in the market.
(interview VRT, 01/04/2014)

BBC Worldwide is a normal international distribution organization, separate from BBC. At the level of content, it is even not allowed to have ties with the decisions BBC makes regarding production.
(Swarz and Huisman, 29 April 2014)

Interestingly, according to interviewees, BBC Worldwide is under increasing pressure from the companies for which it distributes content – including the BBC – to raise revenues faster. The company's sales department has been restructured from an activity-based to an ageographically-based organizational structure (BBC Worldwide, 2013a), and is exploring new business models in non-domestic markets, including pay-channels, and mainly for fiction (interview SVT, 06/05/2014; interview VRT, 01/04/2014; interview NPO, 29/04/2014). Some of these strategies are seen as potentially undermining the interests of the current main buyers of BBC Worldwide content (cf. *infra*). They also show how excluding

part of the international audiences from BBC content (for example, by offering it on pay-channels and not on PSM channels) is considered of minor importance when increased profits can be realized. Universal access thus only applies to UK citizens. Furthermore, the focus on British drama, on the one hand, and wildlife documentaries, on the other hand, indicates a definite limit on the number of genres fit for export. Taking into account BBC WW's partial pre-financing of BBC programmes, both the diversity of genres produced and the creativity in terms of innovation in certain genres may be undermined by opting, for example, for 'safe' historical drama.

Beyond BBC Worldwide

To put the BBC Worldwide's position into perspective, it is worth identifying other players from whom public broadcasters acquire content. Next to the US majors, key players include other distributors, with UK distributors like ITV (distributing e.g. Mr. Selfridge) and All3Media (distributing e.g. Midsomer Murders), and big internationals like Endemol and Freemantle. Smaller players vary significantly, depending on specific broadcasting markets and cultures. Most Scandinavian public broadcasters systematically buy Scandinavian content, with Flemish and Dutch public broadcasters following suit due to its 'recent' success). The Danish public broadcaster, for example, buys considerable amounts of Swedish crime series from both public and private (e.g. *Wallander*) broadcasters (interview DR, 19/05/2014). Dutch NPO buys Flemish content; Flemish public broadcaster buys Dutch content; RTE buys from Australia, as 'a lot of Australians are of Irish extraction and [...] the sense of humor is very similar' (interview RTE, 08/05/2014).

While these examples confirm the importance of cultural proximity, this seems to work against the export of French content to Western and Northern European countries. The

recent success of Les Revenons (winner of UK and US awards) and Falco (acquired, among others, by NPO, broadcasting a French fiction series for the first time in twenty years (interview NPO, 29/04/2014)), may create the impression that French fiction is becoming more popular. However, French formatting styles (e.g. long, slow pace) seem to work against its likeability in Western European countries, as does its factual content (interview VRT, 01/04/2014). The same applies to content originating in Southern and Eastern European.

It appears that 'diversity' in acquisitions in terms of country of origin mainly results from fiction, and even this is limited, as acquisition of Southern, Eastern, Asian, and neighbouring countries' content is rare compared to content from the US and the UK. DR was the only public broadcaster interviewed that has a clear policy and mission in this respect, saying it is 'very fundamental for public broadcasting [...] you want to cover a lot of other countries [...] and put it in your schedule' (interview DR, 19/05/2014). RTE buys considerable amounts of Canadian children's content, referring to an active government policy in Canada that supports children's content production of both public and commercial players. This indicates that governments can play a substantial role in the international sales/acquisition market.

Challenges in the market for content sales/acquisition

A fully digitized media environment affects the relationship between sellers and buyers of content. First, the market has become much more competitive. Commercial free-to-air broadcasters, pay-television players and television distribution companies compete for content with public broadcasters, while 'brand new' competitors such as Netflix are entering the market, acquiring content across territorial borders, with budgets that exceed

those of most public broadcasters. This forces PSM (and other) buyers to acquire content more quickly, increasingly signing deals even before the end of the production phase (interview SVT, 06/05/2014).

The growing competition is met by further waves of consolidation. American distributors and UK players are buying smaller distributors in the UK and across Europe: 'The world is getting smaller' (interview SVT, 06/05/2014; interview VRT, 01/04/2014). This reinforces an evolution towards a seller's market where buyers are in a notably weaker position with less of a say in contract conditions. The rise of some emerging, independent sellers is encouraging. Nevertheless, the sales of Danish series like Borgen and The Killing, Flemish fictional series Salamander, and French drama Les Revenons do not form a structural counterweight to the US and UK dominance in the sales/acquisition market. Neither do these sales – as mentioned above – exemplify public broadcasters' strategies to show more diversity, broadcast innovative drama or select quality content from a large number of countries.

Furthermore, the rather strict and linear windowing of mainly fictional television content and film is under pressure. Consumers are less willing to wait for the broadcasting of films and series aired much earlier in the US. Commercial broadcasters in Europe pay large amounts of money to broadcast series a few days after they are aired in the US (e.g. Flemish channel 2BE for Homeland), but most public broadcasters' representatives indicated this is not an option for them insofar as they are working with public funding. The high audience figures for RTE's simulcast (with BBC) of Eastenders indicates that audience habits can still be conventional, yet most public broadcasters, including RTE, extend their service delivery to new windows such as catch-up tv. Gaining rights to exploit such additional windows is possible, considering that catch-up is free (hence, there is no additional revenue stream

attached to it) and that, in some cases, additional fees are paid to content distributors. However, interviewees indicate that securing catch-up rights for films from US majors is virtually impossible, as the latter want to remain in control of their products every step of the way (interview VRT, 01/04/2014; interview NPO, 29/04/2014; interview SVT, 06/05/2014). Moreover, several public broadcasters maintain that diversification of windows works mainly in the case of a strong linear window. There are several examples of fictional series doing well when broadcast in a linear way (e.g. Homeland, Sweden)(or not, e.g. Mad Men, Flanders) and, subsequently, doing well in VOD (or not). Finally, the expansion and simultaneous shrinking of windows can have pricing consequences. Several interviewees questioned the (so far rarely contested) value of exclusivity. What is the meaning of exclusivity in a fully digitised media environment? They also posed the related question: what is the impact on the pricing of linear broadcasting rights of content distributors like BBC Worldwide concluding contracts with television distributors on the distribution of pay-television channels?

A further challenge relates specifically to small European Member States like Ireland and Austria with large, same-language neighbours (the UK and Germany respectively). Public broadcasters in these countries face particular issues in terms of acquiring international content, especially from US majors and other big content distributors. British and German broadcasters demonstrate behaviour that could be considered culturally imperialistic, buying exclusive rights for both the British/Irish and German/Austrian territories, thereby preventing domestic broadcasters in these small countries to acquire the rights. Their broadcasting into these territories (36 UK channels in Ireland) naturally also influences the advertising market. Needless to say, these small broadcasters (public and commercial) can by no means compete with the big neighbour, not in the sales/acquisition market nor in the advertising market. This problematic situation will inevitably result in further consolidation.

5. Discussion and conclusions

This article set out to investigate the relationship between small European public broadcasters and BBC Worldwide in the context of the international sales/acquisition market of television content. Our findings indicate that BBC Worldwide acts as an audiovisual content distributor like any other, albeit with a different portfolio of programmes that makes it a logical and desirable partner for PSM organizations and, in turn, makes PSM organizations equally logical and desirable partners for BBC Worldwide. There are differences between the public broadcasters investigated in terms of the type of relationship they have with BBC WW, yet the relative importance of acquired content and the acquisition strategies they use do not seem to be related to structural aspects, neither of democratic corporatist media models nor of liberal models. No statements regarding characteristics specific to the polarized pluralist model can be made, given that only EITB was included in the analysis. Further research that includes more public broadcasters from Southern Europe and from Eastern Europe would complement this study in an interesting and significant way.

BBC Worldwide is mandated to operate completely separately from BBC, respecting the BBC's public service remit as well as the principles of the market. While all public broadcasters have a fully commercial sales arm, the question arises whether this can be brought in line with a public service remit that places values such as universality, creativity, innovation, quality, and diversity at the forefront. On the one hand, the sale of content, whether from BBC Worldwide or other PSM sales departments, can be a valid means to re-invest in domestic content and, hence, can foster creativity and quality. On the other hand, contemporary trends in the international sales/acquisition market work towards lowering

universality (as more content is made available first on a pay-per-view or subscription basis), undermining genuine creativity (as the focus is on export of fiction and, in the case of the UK, 'typically British' drama), diversity (as the vast majority of acquired content continues to originate from the US and the UK) and quality standards (as the BBC may be reluctant to discontinue series under critical scrutiny for failing PSM quality benchmarks but popular in the international market). As such, BBC Worldwide's behaviour as a content distributor seems to contribute to a (further) homogenisation of audiovisual content provision in Europe. As budgets for European public broadcasters are tight and under scrutiny, it can be expected that **home made** programmes may suffer further as public broadcasters increasingly depend on cheaper acquisitions. Moreover, the accountability of BBC Worldwide is fairly limited with regard to the core PSM mission is fairly limited. Different from its rhetoric, BBC Worldwide's practices – such as selling its premium content first to pay-TV operators and only later to traditional (public) broadcasters (DigitalTVEurope, 2015) – show that the primacy of market principles reign over PSM values.

This can be considered as a fundamental criticism of the international sales/acquisition market and the role of the PSM organizations therein. While most public broadcasters genuinely pursue public interest objectives when acquiring content, they are stuck in the mechanisms of an international marketplace that, at the structural level, is by no means 'friendly' towards PSM. As Barnett (2006: 2) pointed out, criticism of public broadcasters takes place in an increasingly fragmented and competitive media environment, in which traditional boundaries between broadcasting and other media platforms, as well as between 'national' media markets are blurring. Small states with big language-neighbours, specifically the Irish and Austrian public broadcasters, indicate difficulties surviving the competition with their big neighbours. Moreover, confined within national territories, public broadcasters are competed out of a market that is increasingly consolidating horizontally

and vertically, that is transnational in nature, and that favours alternative forms of content provision through on-demand and OTT distribution.

Public broadcasters complying with and reinforcing the laws of the free market may become 'contaminated by this commercial context' (Bardoel and D'Haenens, 2008: 340) and their *modus operandi* may eventually converge with that of private media companies. While the interviews indicate that European public broadcasters try to 'deal with it', one can wonder if this is enough or whether they should more actively resist the commodification of audiovisual products in the international marketplace. The existence of public broadcasters is a manifestation of the fact that 'media products are different, not least because they are more than mere consumer goods: in important respects they also 'produce' us' (O'Siochru, 2004: 3). This provides good grounds for public broadcasters to explore ways of collaborating and to help further their mutual interests in terms of content production and acquisition, instead of relinquishing the initiative to commercial sales and (separate) acquisition departments. This seems the most valid long-term strategy to enable public broadcasters to continue to play their role in society.

References

Aslama, M. and Syvertsen, T. (2007) 'Public service broadcasting and new technologies: marginalisation or re-monopolisation', pp. 167-179 in E. De Bens (ed) *Media between culture and commerce*. Bristol: Intellect.

Authors, (2001, 2007, 2008, 2012a, 2012b, 2015a, 2015b)

Baldi, P. (2007) 'Media accountability in Europe: a fragmented picture', pp. 17-32 in P. Baldi and U. Hasebrink (eds) *Broadcasters and citizens in Europe: trends in media accountability and viewer participation*. Bristol: Intellect.

Bardoel, J. and D'Haenens, L. (2008) 'Reinventing public service broadcasting in Europe: prospects, promises and problems'. *Media Culture and Society* 30:337-350.

Bardoel, J. and Lowe, G.F. (2007) 'From public service broadcasting to public service media. The core challenge', pp. 9-28 in G.F. Lowe and J. Bardoel (eds) *From public service broadcasting to public service media*. Göteborg: Nordicom.

Barnett, S. (2006) *Public service broadcasting: a manifesto for survival in the multimedia age* (a case study of the BBC's new charter). Paper presented at the RIPE conference, Amsterdam, 2-6 October.

BBC WW (2013a) *BBC Worldwide Annual Report and Financial Statements 2012/13*.
<http://www.bbcworldwide.com/annual-review/annual-review-2013/strategy/1-drive-digital-growth.aspx>

BBC WW (2013b) *BBC Worldwide Annual Review 2012/2013*.
<http://www.bbcworldwide.com/annual-review/annual-review-2013/strategy/1-drive-digital-growth.aspx>

Biltereyst, D. (2004) 'Public service broadcasting, popular entertainment and the construction of trust'. *European Journal of Cultural Studies* 7(3): 341-362.

Boyd-Barret, O. (1977) 'Media imperialism: Towards an international framework for the analysis of media systems', pp.116-136 in J. Curran; M. Gurevitch and J. Woollacott. (eds) *Mass communication and society*. London: Edward Arnold.

Council of Europe, 25 June 2009, Recommendation 1878(2009) on the funding of public service broadcasting. Strassbourg: Council of Europe.

Cunningham, S. (2015) Repositioning the innovation rationale for public service media, *International Journal of Digital Television* 6(2), pp.203-220.

Cunningham, S. (2009) 'Reinventing television: the work of the 'innovation unit'', pp. 83-92 in G. Turner and J. Tay (eds) *Television studies after TV: understanding television in the post-broadcast era*. New York, US: Routledge.

DigitalTVEurope (2015) BBC Worldwide sells 2,300 hours of content to digital platforms, 26 February, retrieved from <http://www.digitaltveurope.net/328652/bbc-worldwide-sells-2300-hours-of-content-to-digital-platforms/>.

Dorussen, H.; Lenz, H. and S. Blavoukos (2005) 'Assessing the reliability and validity of expert interviews'. *European Union Politics* 6: 315-337.

EAO (2013) 2013 Yearbook, Volume 2: Television, cinema, video and on-demand audiovisual services – The pan-European picture. Strasbourg: Council of Europe European Audiovisual Observatory.

EBU (2013) Empowering society: A declaration on the core values of public service media. Geneva: EBU.

Garnham, N. (1990) Capitalism and communication: global culture and the economics of information. London: Sage Publications.

Gibbons, T. and Humphreys, P. (2012) Audiovisual Regulation under Pressure: Comparative Cases from North America and Europe. New York: Routledge.

Goldstein, K. (2002) 'Getting in the door: sampling and completing elite interviews'. Political Science and Politics 35(4): 669-672.

Hallin, D. and Mancini, P. (2004) Comparing Media Systems: Three Models of Media and Politics. Cambridge: Cambridge University Press.

Hannerz, U. (1992) Cultural Complexity. New York: Columbia University Press.

Hendy, D. (2013) Public service broadcasting. New York: Palgrave Macmillan.

Hopper, P. (2007) Understanding cultural globalization. Cambridge: Polity Press.

Mjøs, O.J. (2011) 'Marriage of convenience? Public service broadcasters' cross-national partnerships in factual television'. International Communication Gazette 73(3): 181-197.

Morley, D. (2006) 'Globalisation and cultural imperialism re-considered: Old questions in new guises', pp.30-43 in J. Curran and D. Morley (eds) *Media and cultural theory*. Abingdon: Routledge.

Nordenstreng, K. (2013) 'How the new world order and imperialism challenge media studies'. *Triple C* 11(2): 348-358.

O'Siochru, S. (2004) *Social consequences of the globalization of the media and communication sector: Some strategic considerations*. Working paper No. 36. Geneva: International Labour Office.

Olsson, J. and Lynn Spiegel (eds) (2004) *Television after TV: Essays on a medium in transition*. Durham, NC.: Duke University Press.

Picard, R. (2011) 'Broadcast economics, challenges of scale and country size', pp. 43-56 in G.F. Lowe and C.S. Nissen (eds) *Small among giants: Television broadcasting in smaller countries*. Göteborg: Nordicom.

Plunkett, J. (2013, 7 November) BBC's loss-making Lonely Planet deal under fire. Retrieved, 18 December 2013, on <http://www.theguardian.com/media/2013/nov/07/bbc-loss-lonely-planet-deal-travel-guide>.

Price, M. and Raboy, M. (2003) *Public service broadcasting in transition: a documentary reader*. The Hague: Kluwer Law International.

Puppis, M. (2009) Media Regulation in Small States, *International Communication Gazette* 71(1-2): pp.7-17

Scannell, P. and Cardiff, D. (1991) *A Social History of British Broadcasting, Volume One 1922-1939: Serving the Nation*. Cambridge: Basil Blackwell.

Schiller, H.I. (1976) *Communication and cultural domination*. New York: International Arts and Sciences Press.

Schmidt, C. (2004) 'The analysis of semi-structured interviews', pp. 253-258 in U. Flick; E. von Kardoff and I. Steinke (eds) *A companion to qualitative research*. London: Sage Publications.

Spada, C. (2002) "'European Original Fiction'": A National Resource and Different Ways of Self-Representation'. *Canadian Journal of Communication* 2(2): 197-210.

Straubhaar, J.D. (2003) 'Choosing national TV: Cultural capital, language, and cultural proximity in Brazil', pp. 77-110 in M.G. Elasmr (eds) *The impact of international television: A paradigm shift*. Mahwah, NJ: Lawrence Erlbaum Associates.

Straubhaar, J.D. (2014) 'Mapping "global" in communication and media studies', pp. 10-34 in K.G. Wilkins; J.D. Straubhaar and S. Kumar (eds) *Global communication: New agendas in communication*. London: Routledge.

Thussu, D.K. (ed) (2007) *Media on the move: Global flow and contra-flow*. London: Routledge.

Tomlinson, J (1999) Globalisation and Culture. Oxford: Polity press.

Tracey, M. (1998) The Decline and Fall of Public Service Broadcasting. Oxford: Clarendon Press.

Varis, T. (1985) International flow of television programmes. Reports and papers on mass communication. Paris: Unesco.

ⁱ After The decline and fall of public service broadcasting by Michael Tracey (Clarendon Press (Oxford), 1998).

ⁱⁱ <http://www.bbcworldwide.com/about-us.aspx>, as on 18 December 2013.

ⁱⁱⁱ Idem.

^{iv} Notably, Flanders and the Basque Country are regions, with extensive competencies in the cultural domain and media sector. Quotes from interviews with Flemish and Dutch PSM representatives are translated from Dutch

^v We interviewed Hans Schwarz and Mignon Huisman (NPO), Steen Salomonson (DR), Doran Hermot (RTE), Hilde Debackere (VRT), Steven Mowbray (SVT), and Jesus M. Higuere (Basque PSM). All interviewees are managers or senior PSM staff involved in acquisitions (or were at the time of the interview).

^{vi} For an elaboration on the method of expert interviews see, among others, Goldstein, 2002 ; Dorussen et al., 2005.

^{vii} Figures for the Netherlands are not included in the relevant comparative data from the EBU. Hence, we inserted the estimate of NPO representatives.