TRANSFORMING TELEVISION:
STRATEGIES FOR CONVERGENCE

TRC

TRC IS AN INDEPENDENT CHARITY WORKING IN PARTNERSHIP WITH INTERNATIONAL AND UK BROADCASTERS, PRODUCERS AND AGENCIES TO PROVIDE TRAINING AND RESEARCH TO THE CREATIVE CONTENT INDUSTRY

TRC

Foreword

This publication brings together a number of the most important recent insights into how, why and at what pace the UK television industry is changing. It is intended primarily to support the thinking of small and medium-sized independent production companies during this period of intense change as they position themselves for the new demands of the digital age.

The collection includes contributions from leading broadcasters on how their strategies are evolving in response to the new platforms and opportunities. If 2006 was the year when convergence stopped being a concept and became instead a corporate priority, then here are some of the early results from that transformation.

A few emerging trends of digital convergence are becoming clearer, even if the outcomes are not. One is the changing nature of the relationship between content providers and their consumers. Broadcasters know that audiences are now less passive, more like participants or partners in content creation. To some extent they might even become competitors. Several of our contributors look at the implications of this shift.

The public service operators realise the importance of maintaining their distinctiveness even as they extend their availability. Mark Thompson for the BBC and Andy Duncan for Channel 4 outline the unique brand strengths which they believe will give them a competitive edge in an increasingly crowded and confusing world of platforms and programmes.

Even as they face the uncertainties of all this change, most of our contributors strike a note of optimism, preferring to dwell on the opportunities rather than the threats created by the transfer of choice and control away from broadcasters to producers and audiences.

This is intended to be the first in a series of TRC publications under the *Transforming Television* title. Future collections of keynote speeches, articles and essays will look beyond the UK for international perspectives and the impact on global markets.

We are grateful to all of our contributors for agreeing to be part of this collection. Thanks are also due to the steering committee who oversaw the project – Stuart Cosgrove of Channel 4 and Professor Philip Schlesinger of Stirling Media Research Institute – and in particular to the editor of *Transforming Television*, research fellow Maggie Magor.

Carol Sinclair
Director, TRC
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In his keynote speech at MIPTV April 2006, Gary Carter, Chief Creative Officer of New Platforms at FremantleMedia, deliberated the death of television. He argued the need to look at history before considering the future, as well as emphasising the central role of the audience in the transforming digital environment.

Gary Carter
Whose Television is it Anyway?

These days, when I turn on the television, when I listen to the radio, when I watch the news on the web, when I read the newspaper, when I read my email alerts and my RSS feeds, when I click on Google, or listen to a podcast on my iPod, I hear and see the following messages: Reality television is dead! 30 second commercials are dead! Broadcasters are dead! Old business models are dead! Schedules are dead! Television is dead! Everybody is dead – except iTunes – and technology companies. Technology companies are the new broadcasters! And brands! Brands are the new broadcasters! And content! Content is king!

Given the obvious ill health of the industry, should we kill television before it dies on us? Or should we kill television before it kills us, whichever shall first occur? When we talk about 'the death of television', what do we mean? To be specific, what do we mean by 'television'? Do we mean the *medium*, the distribution technology itself, the box and the dish and the flatscreen and all the rest of the technology? Or do we mean the *form*, the shape of content which is intrinsically television content specifically made for television in shapes original to television?

We can answer the question about the survival of television as a medium very simply. If we look at the history of mass communication technology we can learn some interesting and reassuring lessons. The only mass communication medium in history to have been replaced by another is the telegraph, and that arguably was not mass communication technology. Mass communication technologies co-exist, and they evolve.

However, people do bring the expectation of one technology to the next. We can see this in the way that audiences complain about the quality of streaming to the computer – that it's not as good as television – that's because it's *not* television. But it's not just the user who brings that expectation – the maker does too. That's why you will hear television producers complain about the quality of content streaming to the computer – that it's not as good as television. Again, that's because it's *not* television.

No mass communication technology has ever been exploited in the way in which the inventors predicted it would. When radio was introduced, it was marketed in kit form and sold to men, as a kind of quasi-engineering hobby. It was only when families complained that men were spending too much time 'playing' in isolation that the set migrated into the living room, and kits were replaced with ready-made radiograms. When the telephone was commercially introduced in the United States, it was originally believed that it would find its primary market amongst businessmen. When women in rural America discovered that they could use the telephone to communicate with their neighbours, the operating companies tried to stop them through prohibitive legislation – until they realised that this represented a market.

SMS has a similar history. Introduced by Ericksson as a channel for communication between engineers, the first short message was sent in 1992, from PC to mobile. Its triumph was the triumph of the consumer, since it was barely promoted until it was already widely used. It was originally presumed it would remain an industry communication medium – not the symbol of a youth movement; a set of manners and a culture; a way of extracting revenue from television audiences; the source of a new language; a flirting medium, and a sexual technology. The users – the audience – have made it all these things, not us. In this new environment, television is not going to die, in fact, it is going to grow. The audience will decide on the uses to which they will put the technology and the content, additionally the audience *and* the producers will need to free themselves of the expectations and conventions of television.

When television arrived in the fifties, it was a technology without history. It appeared as revolutionary, although like most technology it was evolutionary. This was the era of television as social instrument, the era of the rise of the public broadcaster. The voice of television was the voice of the social establishment. Famous people as represented on television were famous because of their achievements, because of what they had done. Above all, television came at you. It was a 'push' technology; it came from a position of power and moved *down* to the people.

On the other hand, the generation which came of age in the early eighties grew up with television. It had a history and a culture of its own to which we could refer. We grew up with an understanding of the conventions of television, and with the domestic version of the technology filming us at home, as the subject of the camera's gaze. In this generation, fame began to share airtime with celebrity – those people who were famous because of the amount of media exposure they gained. This was the era of television as reflective and creative of different worlds – and it was the period of the rise of the commercial broadcaster. Television came at you from different directions, not just 'down'– but it also started to come *from* you.

For this generation, the world is very different. The digital project means, for a start, that media represent no reality, or rather, a reality in which the image is the only reality. 98 percent of photographs in the average glossy magazine are digitally altered, as are 98 percent of Hollywood movies – even those without special effects, and it is possible to define celebrity as utterly divorced from achievement.

This generation has a different understanding of media and technology. It has grown up with an in-depth understanding of genre derived from television history, and with an in-depth understanding of technology – a technology which is now of broadcast quality, with domestic editing sets to rival those used in what we like to call 'an industry'. And now – crucially – it finally has distribution. This is the world of digital television, digital networks, digital everything. Power, in this environment, is certainly not a push, but it's probably not, in fact, a pull. It is distributed equally, in all parts of the system, acting in all directions simultaneously.

We are not living through the death of television. We are living through the death of time, the death of space, and the democratisation of the media. No wonder we're nervous. But from my analysis, I think I can draw some conclusions. First of all, the audience will decide on how things will be exploited, not us. That's why we're struggling with business models, they have not yet been decided. And if you ask me, audiences haven't decided because they haven't had many exciting offers, except perhaps from the porn industry.

So, we need to get stuff out there – quickly, and lots of it. Make the audience offers, and see what comes back. We need to help the audience free themselves. But we also need to free ourselves of the preconceptions of television, and our role in it. We must free ourselves from the belief that we have unique skills in this equation, free ourselves from the belief that we are a media elite who decide what will happen, who build events, who make things happen, and who have power. We have to create spaces not places, ones in which there are rules, but in which the audience is free to play. In other words, we have to accept the creativity of the audience.

If we don't do this, we will die. By that, I mean, we as a techno-content class, will disappear, become obsolete. We should learn from the music industry. They almost did. And we should remember that audiences don't want to steal what we do, they want to do what they have always wanted to do – to connect our creativity with theirs. They want to do what we are doing – be creative – it's just that they have the same tools as we do for the first time in human history. We don't own creativity. It's what makes us human.

Mark Thompson, Director General of the BBC delivered an internal speech to BBC staff on 25 April 2006, in which he outlined a vision for the BBC in the era of converged media. Under the title 'Creative Future' he mapped out five key themes which reflect profound change in audience behaviour and technology. The speech not only underpins change in a time of convergence but outlines a new era for public service broadcasting.

Mark Thompson
BBC Creative Future

Creative Future is a set of themes and ideas. There are two reasons why the BBC needs a new creative strategy – audiences are changing and technology is changing. In a way, everyone knows this of course. What's surprising – shocking even – is the sheer pace of that change. In both cases it's faster and more radical than anything we've seen before.

We started Creative Future by setting up two teams, an audience team and what we called a 'Beyond Broadcast' team to look at what was going on in these two key areas. Every part of Creative Future was inspired by their work.

The five big themes

So where have we got to? Audiences with more choice, bigger expectations and in some cases a real sense of distance from the BBC. Technology which empowers those audiences, transfers control from us to them, lets them consume what they want, when they want, lets them create content, lets them participate. But there is another important factor in all of this – competition. We are head-to-head with new competitors who are global, rich and in some cases already fit for the digital age.

This has implications for all the critical areas of output: journalism, drama, music, sport, comedy, entertainment, children and teens, and what we called knowledge-building. That means all those ways in which, in its specialist factual content, in its documentaries and in many other kinds of output, the BBC helps people explore their world, learn more about it, interrogate it and celebrate it.

When I look at Creative Future, I see five big themes. The first is what we have called – Martini media.

Theme one – Martini media

This is media that's available when and where you want it with content moving freely between different devices and platforms. It means we have to adopt a completely new approach to development, commissioning and production by the BBC.

From now on, wherever possible, we need to think cross-platform, across TV, radio and web for audiences at home and on the move. We need to shift investment and creative focus towards on-all-the-time, 24/7 services.

On demand is key and it's not just a new way of delivering content, it means a rethink of what we commission, make and how we package and distribute content. We have one of the best websites in the world but it's rooted in the first digital wave – we need to re-invent it, fill it with dynamic audio-visual content, personalise it, open it up to user-generated material.

We need a new relationship with our audiences – they won't simply be audiences anymore, but also participants and partners – we need to know them as individuals and communities, let them configure our services in ways that work for them.

So what does all this mean for the different areas of output?

We have an incredible opportunity in news and current affairs. BBC News is an offer that transcends any one channel or medium or device. It already reaches more than 240 million people around the world every week and is the world's most trusted source of news. If we get this right now, it can grow even stronger. We want to shift energy and resources to our continuous news services. We are now making News 24 a centrepiece of our 24/7 news offering at the heart of BBC News. We are moving key talent to it, making it the place to break stories and to showcase the best of BBC journalism there.

We are also developing, as a priority, our on demand offer in News, providing greater convenience, search and video/audio enrichment, and using the great content we already generate. We are going to develop outstanding services for mobiles and other portable devices so that users can access news which is relevant to them wherever they are.

The BBC is going to improve the quality and depth of our sports and entertainment journalism and find new ways of shaping our current affairs. In sport there will be a new flagship Sports News programme on BBC TV, offering high quality weekly journalism. That will supplement a much stronger daily news service on all platforms. In Sport we're going to harness the whole of the BBC – nationally and locally – to make more of big sports events. There will be a sport portal which will allow us to offer more live sport in video and audio when people want it – tapping in to real passion for individual sports and teams.

The BBC's always felt a bit less confident about its mission to educate than it has about the mission to inform. Even the words we use – learning, educative, specialist factual – can feel a little uninspiring. That's got to change. This second digital revolution is going to enable the public to explore and investigate their world like never before.

Programmes won't be shown once and then forgotten. They'll be there forever to be linked, clipped, rediscovered, built into bigger ideas.

So knowledge and exploration should be as big and ubiquitous an offer from the BBC. We need cross-platform strategies for all the key subject areas that audiences want from science and religion to food and drink, strategies which are bigger than any one channel or platform. We need 360 degree commissioning in knowledge content, and knowledge content should be our top priority as we open up the archive. We need more of the *Supervolcanoes* and *Planet Earths* – the ideas of scale and impact that really hit home in this crowded digital marketplace.

Music is also going to be transformed by the new technologies. We will have one pan-platform music strategy for the whole BBC and coordinate all music commissioning and production to make a single creative powerhouse for music across the organisation. Personalisation and immediacy are going to be critical for music – on broadband, mobile, podcasting – and we want users to be able to create their own virtual radio channels out of the wealth of our music output, channels which reflect their tastes and priorities.

Theme two – serious about entertainment

Audiences don't just want information and knowledge from us. They want something more – they want us to be serious about entertainment. In drama, we need to build fewer titles with longer runs, more impact, more emotion – and make more brave calls like *Bleak House* and *Dr Who*. We need to think of mobile and other ways of using new media from the very start of the creative process – like the *Dr Who Tardisodes*. We must cherish, and where necessary, invest in the titles that bind us emotionally to the broadest audiences – *EastEnders*, *Casualty*, *Holby*. We need more drama landmarks and signature pieces across TV and radio, the nurturing and support of outstanding writers is a key to success.

We need to strengthen the creative pipeline for comedy across TV and radio, nurturing future BBC1 hits on 2 and taking radio hits like *Dead Ringers* and *Little Britain* and building them across platforms. We'll invest more consistently in comedy drama and relaunch the BBC comedy website. Entertainment will use 360 degree commissioning, interactivity, user-generated content to re-engage audiences in primetime TV entertainment, and we'll take more creative risks to build on recent BBC1 successes like *Strictly Come Dancing* – and we'll forge closer links with other genres like factual and leisure to deliver more hybrid hits like *The Apprentice*.

Above all, we need to be more courageous and confident with our entertainment. And we need to recognise the critical role of talent – on and off air – in distinguishing our content and really reacting to our audiences.

Theme three – the young

The next theme is not a new one for the BBC – far from it. Audience research suggested strongly that the drift away from the BBC by some younger audiences, which we picked up on more than five years ago, is not just continuing but accelerating.

Now it's important to put this theme in context. Addressing underserved audiences does not mean that every, or even most programmes should suddenly shift their focus. It's critical that we continue to serve older audiences with content that works for them as well. Nor does it mean that we fail with every young audience. Radio 1 is already performing brilliantly with its audience so too are our children's services.

But we need specific solutions to a series of specific issues:

- we want to give our two children's TV channels and web services more focused and manageable audience targets: children up to 6 for CBeebies, 7 to 11 for CBBC.

- we're going to align children's radio under those two brands as well and in time move the production teams into CBBC too.

- we'll also launch a new teen brand aimed at 12 to 16 year olds which will be delivered via existing broadband, TV and radio services as well as mobile and other new devices – it will include a new long-running TV drama as well as comedy, music and factual output.

- we want new partnerships, for instance, between news and education to get our journalism into every secondary school, or between children's and sport to engage younger audiences in sports participation.

- we're going to take diversity, on-screen and off-screen, far more seriously than we have – it's critical in convincing younger audiences that we're in touch with them.

- in our core television offer, we're going to try much harder to commission and acquire programmes that work for younger audiences – without weakening the offer to those audiences who already feel well-served by the BBC.

In the first three themes I've explored how we need to think differently about how we make and commission content in our core genres. But two other things have become very clear – the need to help audiences find our content, and their desire to make their own content.

What unites all the themes, apart from the notion of great content, is the role that technology will play and how important it is that we all embrace it as a creative enabler and a creative resource.

Theme four – findability

If we don't coordinate our content, make it easy to find and brand it clearly, it may just disappear so let's call the fourth theme findability. Within a year we'll launch a new, more powerful search tool – with both video and audio search – as part of the overhaul of our website. We'll strive to deliver the functionality of that search engine – BBC iPlayer – to as many platforms and devices as we can and work to achieve one comprehensive metadata solution for all BBC content. Good metadata gives content legitimacy. People know exactly who it's coming from and the BBC will get the credit back to our brand and no one else's.

We'll develop category-leading broadband portals in areas like sport, music, science, health, the arts and key lifestyle areas – not just to access current output but to explore our archive. We'll use contact with individual users, databases and recommendation engines to build a far closer and more personal relationship with audiences.

Theme five – the active audience

The final theme may turn out to be one of the most important. It's the active audience, the audience who doesn't want to just sit there but to take part, debate, create, communicate, share. This raises any number of editorial questions for us but this is going to be big and it will touch every area of output. We want to build on our early experiments in user-generated content in News and to be the best guide to the blogs on the big stories and debates. We'll try to engage audiences in adding their content and their ideas across the whole range of knowledge-building from natural history to health, and we'll make sure that our plans for search and metadata enable the public to add their comments and recommendations so that they can help each other find the content they want.

Jeremy Mortimer one of our creative leaders in radio drama came up with an idea which has nothing to do with radio drama but expresses this idea perfectly. Its working title is Eyewitness and the idea is that we put up on the web a complete grid for the past hundred years with a space for every day. Anyone who wants to can tell the story of their day in history, a story about themselves, their community or perhaps an eyewitness account of an event of national or international importance that happened on that day. Eyewitness doesn't replace the need for brilliant, professionally made history programmes like *Timewatch* or the BBC series *Auschwitz* – but what a fantastic complement.

Conclusion

Some people will ask how this is going to be paid for. Well, to achieve everything I've talked about we'd definitely need increased investment both in content and in technology and distribution. That's one of the main reasons we've asked for a licence-fee that will grow in real terms over the next Charter.

But delivering Creative Future isn't just about resources. It's about values and behaviours. The BBC values still matter. Creativity obviously, without that we won't get anywhere.

I want to add something else. You can't impose a programme strategy top down. The BBC has to accept it, adapt it, make it its own. Then there's the question of organisation. How do we deliver genuine 360 degree commissioning? How do we boost confidence in in-house production which I believe has struggled to get its voice heard ever since the broadcast-production split of ten years ago? But a few health warnings.

First I'm a pragmatist – I don't believe in perfect structures or that structural change on its own can solve anything. At the start of the year I mentioned four ways in which I thought the BBC needed to change, summed up by the four words: creative, digital, simple and open.

On the face of it, the output of Creative Future is about creative and digital. But I don't think any of us believe we can fully achieve it unless we can also figure out ways of working together, collaboratively, in a simpler and more open way. This is essential in the converging world we face.

In some ways that's harder than coming up with ambitious new programme strategies. But it's a critical challenge too – how do we release the inherent potential of all of us, so that we become the most creative organisation in the world, delivering content that our audiences simply love?

We have opportunities now that we have only dreamed of in the past – opportunities to bring us much closer to our audiences, to expand our creative horizons, to mix and meld genres and platforms, to redefine what the very word broadcasting means. We need to seize those opportunities now.

On Wednesday 21 June 2006, Channel 4's Chief Executive Andy Duncan delivered The New Statesman Media Lecture. He argued that Channel 4 was an essential part of Britain's public service media landscape and that the transformation of television was a slow-fuse revolution.

Andy Duncan
Maximising Public Value in the 'Now' Media World

Public service television is the sturdiest bridge we have from the old analogue world of the mass viewing experience to the rapidly emerging future of consumer-led, made-to-measure media and the opportunities of a digitally-connected society. Public broadcasters will help us get there. By then, though, they'll be in much more than the business of broadcasting.

What happens after that is anyone's guess, but will depend, in part, on a shared understanding of the possibilities of this new world and on making the policies to deliver them. We could have a media system that is vibrant and worthwhile or we could end up with something that serves only selfish wants and commercial or institutional purposes.

The transitional period we're in now, between the comfortable certainties of the analogue era and the apparently limitless possibilities of a digital future, can look chaotic, anarchic, even frightening. However, we're not facing a technological *fait accompli* over which we have absolutely no control. It is our call as to whether we still want to extract public as well as commercial value from our media system and, if so, how we might achieve this in a nation more globally integrated, yet more socially fragmented.

Can public broadcasters be as influential and productive for wider society after digital switchover as they have been until now? The short-term answer must be "yes". I believe that there is an exciting longer-term role for public service broadcasters to reinvent themselves as major conduits for creativity and communication in the post-digital world.

Unlocking this potential depends on a very 20th century key. I will argue that the high current net value of our broadcasting system – in cultural, creative and economic terms – owes everything to enlightened public intervention and that television's potential to generate wealth, and contribute to the common wealth in future, depends on it.

But first, let's look at what's happening now and why the broadcasters' position in the media landscape is shifting. It's not a straightforward picture to read. Change is happening fast. Every broadsheet media supplement heralds a new killer application that will change everything forever, starting tomorrow. Sorting the significant from the hype is hard because often it's just too early to tell.

Personal video recorders (PVRs) were supposed to have destroyed broadcast television and the airtime sales business by now. They haven't yet, though it's certainly true that the advertiser-funded model is under strain.

Internet use is supposed to be galloping ahead of TV viewing. It isn't, except for a particular group of young people who were always light TV viewers anyway. TV companies and dot.coms aren't just in competition for eyeballs, they're competing for advertising share too, so there's a lot of spin about.

For all the hype about the latest broadband and mobile gadgetry, many of the fastest-selling consumer electronics devices are actually all to do with traditional TV – Freeview boxes, and widescreen LCD and HD sets.

Finding truth in a confused and rapidly changing market populated by powerful vested interests is a tricky business. While new phenomena such as the "social networking interface" MySpace have impressive hit rates, it's worth remembering the continuing power of traditional TV to deliver big audiences.

Eight million people tuned in for the opening night of the latest series of *Big Brother* and nightly audiences regularly peak at over five million. Add to this the fact that channel4.com is establishing itself as a powerful online brand in its own right, achieving higher UK reach in the past month than many of the most talked-about online brands, including MySpace and YouTube, and I believe we are uniquely well placed as a significant player in both the linear and online worlds.

So everything is shifting all the time. But the main trends are clear enough. Broadcast television is no longer the funnel through which entertainment and information are channelled to millions of waiting consumers in a one-way flow. The ever-expanding choice of reception platform – TV, mobile, Internet, MP3 player – and the potential for everyone to create and distribute their own content, however humble, are ineluctably eating away at the broadcaster's traditional role as overseer in the great treasure house of content.

Though change appears to be happening at breakneck speed, this is actually a slow-fuse revolution. The Internet has been in widespread use for at least a decade. Most broadcasters launched websites back in the last millennium. We're still talking about "new" media as if they turned up yesterday, when really we should think of them as "now" media. They're not only here, established and evolving; they're also immediate and accessible to users in ways that older media are not.

At the same time, broadcasting remains powerful because it is still well-resourced enough to produce and distribute premium content, the kind that everyone wants to see at some point. Terrestrial broadcasters still have privileged access to the most ubiquitous distribution system in the world and we have a couple of killer applications of our own: we're available everywhere and for free. Even that notoriously hard-to-please group, the 16-34s, still flock to "event television": *The X Factor*, *Big Brothe*r and the World Cup. For all the excitement and promise of "now" media, broadcast television will remain the default option for most people for some years to come. But people's relationship with television is changing, and the younger the people, the bigger the change.

People under 25 now expect to find entertainment and information in a variety of different places, instantly accessible and tailored to their needs – even on their mobile phones. This amazes older people brought up with the big screen; they look incredulously at their mobiles, wondering how anyone could watch telly on that. But we've been wrong before: "TV will never be a serious competitor to radio because people must sit and keep their eyes glued on a screen. The average American family doesn't have time for it". That was in *The New York Times* in 1939.

There's another big change working its way through the generations. Today's thirtysomethings are probably the last to share a common TV heritage. A collective memory of programmes that had impact, special meaning or resonance for them and millions of other people. It remains to be seen whether Friends Reunited, Popbitch and their successors will hold the same potent memories for future generations as *Brideshead* or *Big Brother*.

Already, users of "now" media have a collective experience of a different kind. Television wraps millions of individuals and thousands of disparate groups together in a cover-all common experience. Mobile and online technologies connect people within those disparate groups, uniting them by common interest or specific purpose – to buy a handbag on eBay, recruit a flashmob, or pick out their favourite bit from *Desperate Housewives*. You choose who you connect with, search for exactly what you want, see pretty much what you want to see. You're in control. You don't have to accept an experience someone else has made, when and how they decide to give it to you.

All this looks like bad news for broadcasters, the most staid and static of the old-style content packagers, with their straitjacket schedules and a big old box in the corner. It makes broadcast TV, and carefully mediated, subsidised and scheduled public service television in particular, look strictly 20th century.

Channel 4 was the last great state intervention in the UK media market, the publicly-owned Channel added essential new qualities for changing times: a challenge to authority and orthodoxy; a concern for diversity and difference; youthful cheek.

The need for all these outcomes and qualities does not diminish with digital media. Ongoing intervention is still necessary to ensure that they stay a feature of our media landscape because we know that the market – though it provides much – doesn't deliver everything we believe we need. The old values are joined now by new imperatives. Viewers may be in control but they may also welcome help in navigating a bewilderingly complex multi-media world, sorting the significant from the merely fascinating among the babel of messages, and understanding the possibilities as well as the contradictions of life in a fractured society.

These are all things a purely commercial media market is not good at providing. This is our challenge and our opportunity as public broadcasters.

Digitisation and the shift from broadcast to broadband technologies has been compared to the advent of the printing press because it liberates knowledge and information from the control of the priesthood and its scribes – broadcasters and their producers if you like. It allows access to everyone via simple hardware and software. The analogy is acute. Digitisation is an inherently democratising movement with huge potential for innovation, education and creativity – all essential requirements for a successful society.

Where once only the rich and the worthy were granted access to the means of creating and distributing content, now virtually anyone can do it. This opens up not just a thousand potential new business models, but millions of ways for people to communicate and share material with each other, many of them delivering their own small packets of social and public value. Bloggers in Iraq, students in Syracuse, voluntary, political and community groups, and yes, the *New Statesman*, all these people now have a platform from which they can address a global broadband audience and hear back from them.

There's an education and facilitating role that we can play here in helping people to use this access to greatest effect. Not a takeover – we of all people respect grassroots movements and the individual dissenting voice – I'm talking about the public broadcaster as educational resource, rallying point, multiplier and enhancer of small-scale communications. We're now making this a central part of our education work, and I want to describe how in a minute.

I don't see the digital revolution as an attack on Channel 4's power as a public broadcaster. I see it as a fantastic opportunity to build on what Channel 4 has always done: stimulate, infuriate, debate, create. The difference is that we're doing it in many more ways than just via broadcast these days, because we have to engage with the public wherever they are.

If "public service broadcasting" is to mean anything at all, it ought, surely, to have a bright future at a time when people no longer just consume broadcasting. People are beginning to make it, shape it, choose it and vote on it.

In a commercial media landscape polarised between global "premium product" – Hollywood films and international sport – at the commercial end and small-group conversations at the user-generated, not-for-profit end, a fertile middle ground beckons public broadcasters. This is where they can supply UK-produced quality information and entertainment for a UK audience, free-to-air and on a variety of platforms. They can open up opportunities for people to engage with, learn from and contribute to all the new media services that are now on offer.

Mark Thompson, in his recent lecture, "Creative Future", set out the BBC's plan for a comprehensive occupation of this middle ground. In many respects this is exactly what our principal public service provider should be doing. But the BBC isn't – and shouldn't be – a monopoly supplier. In many of those areas, Channel 4's already leading the way. Much of the BBC's creative future is already Channel 4's present. If the BBC positions itself as the Harrods of the media world (the Harrods motto being: *omnia omnibus ubique*), providing everything for everyone, everywhere will simply replicate services at huge public cost for the sake of occupying the territory, when surely its real job is to add value and distinctiveness.

Mid-20th century imperialism is out of fashion and out of order. No one would claim to be the best at everything and resources – public or commercial – are finite. The BBC must, of course, be adequately funded, but it shouldn't be overfunded. It's important that we concentrate on contributing what we're each good at.

So this is where I think Channel 4 adds value where no-one else can. We're particularly good at stand-out programmes and content with a purpose and perspective that challenges the competition and audiences. We're planning to do precisely that in a very "now" medium – radio.

For too long there's been a yawning gap between the BBC's supremacy in the world of the spoken word and the commercial operators' limited range of formats. Digital radio makes room for us to come into that middle ground with something different: intelligent speech and music content with attitude and younger appeal that will, for the first time, involve listeners in the creation of a station.

Our modest aim is to redefine commercial radio, bringing in independent producers with fresh ideas, new advertisers to boost the flagging commercial sector, and real public service competition to the BBC where it counts – on quality and original content.

Why should a television company want to move into radio? Because digital convergence is now a reality. People are listening to radio on their TV sets; watching TV on their mobiles; getting their news online. We no longer work in media silos. We're not just in the television business any more; we're in the communications business.

That means our public purpose can no longer be constrained to programmes on a single television service. In order to deliver our remit and remain relevant, we have to be everywhere that our audiences want to consume our programmes, offering public service plurality on every channel and platform – a vision and a strategy endorsed by Ofcom in its review of public service television broadcasting and by government in the BBC white paper. We're serious about public service competition, and ambitious to bring the Channel 4 difference to radio, as we've already brought it to our multi-channel, online, mobile and video-on-demand services. That Channel 4 difference is part of our reason for being.

Despite all the talk about the supremacy of content in a world of limitless choice, quality and originality are still scarce because they are expensive, time consuming and risky to produce. Original UK television drama can cost a million pounds an hour to make. Similarly, Niall Ferguson's *The War of the World*: *a New History of the 20th Century*, our ambitious factual series, which is currently airing, cost over a million pounds. Left to its own devices, the commercial market will avoid investing these sums unless there's a cast-iron prospect of profit.

Despite evidence of real innovation emerging at the user-generated end of the content spectrum, the explosion of channels and platforms hasn't been matched by an expansion of high-quality original material, and perhaps we shouldn't have expected it to. Pay-TV, telecoms and online players have invested small fortunes in high-tech distribution systems and that's where their knowledge base is. They're not in the business of investing in high-risk original content. As they see it, it's not their job to pioneer new content forms, encourage independent thinking or promote quality product but it is our job at Channel 4.

In a world of giant media corporations, Channel 4's genuine independence is an increasingly valuable asset. But why should people choose us, when there's so much else out there to claim attention? Unlike other media organisations, I think we have the unique benefit – marketeers would call it a brand value – of appearing open, non-judgemental, non-institutional, independent-minded. "Trouble-making but in a good way", as a respondent in recent research reported. We represent everybody and nobody. We're not weighed down with cultural and institutional baggage like the BBC; we're younger and cooler than ITV and we're not part of any global media conglomerate. We are ourselves. Our unique public-private status – with neither shareholders nor governments to please – gives us precious freedom to go where others can't or won't.

That makes us an attractive companion and trusted guide in a confusing world. And people's hunger for compelling human narratives, with lessons they can carry into their own lives, shouldn't, I think, be underestimated. The demand for good stories and engaging storytellers never goes away.

Perhaps the most exciting area, with huge potential for making a difference in the "now" media world, is in the heartland of the old public service brief – education.

This is where the explosion of interactivity, the convergence of platforms, the merging of the Internet's resources with television's power, has perhaps the greatest potential of all. I'm proud that we still support the school curriculum but the action now takes place beyond the classroom and certainly means more than just watching schools' TV. Our traditionally broad view of what used to be called "adult education" (shades of those wing-collared classes again) now embraces everything from *Grand Designs* and *Jamie's School Dinners* to Gordon Ramsay's *F Word* and OrigiNation – which maps the cultural contours of Britain online, from the histories of thousands of immigrant families uploaded to channel4.com.

Just as the Open University transformed attitudes and access to higher education in the 1960s, we're opening up new learning opportunities and entry points into the creative industries for people in the on demand world. This is not just through television but through websites that develop practical and intellectual skills, and off-air activities that stretch the educational value of on-screen material.

Jamie Oliver isn't just an on-screen brand and one-man policy-busting dynamo. With Channel 4's support he is also an educational foundation, a chain of training restaurants, conferences that bring opinion-formers together with young people and resource packs for schools on how to make their dinners more nutritious. We helped make all this happen and it started with television.

It is at this point where the old and new worlds meet, the cusp between broadcasting and "now" media, that our education role has real point and potential.

Simon Duffy, Executive Vice Chairman of NTL Telewest, told the Royal Television Society recently that citizen journalists armed with digital cameras and blogs would transform traditional newsgathering and do away with the need for professional journalism. But hacks and scribblers everywhere can rest easy because I don't think it's quite that simple.

People need skills in using online, audio and visual media to transform their back room experiments into content with real impact, whether it's documentary, comedy or newsgathering. We can provide the tools, the skills and the inspiration and, in the process, bring the best of user-generated content back to broadcasting by giving it a wider audience.

This is an example of "making bridges", the brokering role that I mentioned earlier and said I would come back to, and the facilitation and education role we can play in helping people make the most of access to "now" media.

Last year we launched an experimental broadband documentary channel, 4Docs. This uses our traditional strength in factual programming and our rich archive as a resource for aspiring documentarists. You can access clips and tips from professionals but also upload your own four-minute masterpiece for everyone else to use and learn from. It's an online resource, exchange and showcase for everyone interested in producing factual material – whether amateur or professional – and it's completely free.

Successive enlightened public interventions in broadcasting have gifted Britain a strong starting position in the global creative economy. Channel 4 itself kick-started the independent production sector that today attracts UK commissions worth over a billion pounds a year. Commissioning for us has always been much more than picking winners; we work in partnership with producers and it's the collaborative process that often results in output of distinction. We remain the key outlet for independent producers in Britain, substantially funding their work and, in many cases, fully funding it.

Securing public value in the post-digital media economy depends on three things: a strong BBC, successful switchover, and plurality in public service provision. We're now in the final stages of settling the licence fee; the worry is not whether the BBC will be strong enough, but how dominant it will be. Switchover is a major undertaking with many challenges ahead; but it is being meticulously planned. It is the third leg of this three-legged stool – public service plurality – that isn't yet in place.

Channel 4's run of commercial and creative success has obscured its fundamental vulnerability. We'll always aim for creative excellence, but we can't outface the twin challenges of pressure on advertising revenue and ever-increasing competition forever.

The government and Ofcom have already recognised the pressures on terrestrial broadcasters. The BBC's licence fee settlement will take into account the challenges and costs it faces as a result of switchover. The payments ITV and Five make for their licences have been significantly reduced – and ITV's public service requirements have been cut. Channel 4 is the only terrestrial broadcaster to have received no support – yet.

In the BBC white paper, the government committed to consider sensible forms of indirect support for Channel 4, specifically assistance from the BBC to help us convert our analogue transmission network to digital and the allocation of a limited amount of spare digital terrestrial television capacity from the BBC. These are the essential first steps to securing Channel 4's long-term contribution and it is vital that they are confirmed as the marathon process of BBC Charter renewal comes to its conclusion. They are the bare minimum necessary to give us the degree of certainty we need to plan for switchover as our key historic subsidy – free analogue spectrum – rapidly disappears.

But, as crucial as these measures are, they are only first steps. Ofcom has already proved itself an imaginative and far-sighted regulator. In its forthcoming review of Channel 4's finances, it has a historic opportunity to identify and propose the longer-term solutions that I believe will be necessary to secure Channel 4's future as a public corporation and the key public service competitor to the BBC.

Beyond this imminent review, if we want a genuine plurality of public service provision beyond switchover, and not just limited competition between the BBC and Channel 4, it will be essential for both Ofcom and parliament to engage seriously with the review of public funding for broadcasters other than the BBC.

As Donald Rumsfeld said, "there are known knowns". We know digital switchover will happen. We know there will be a strong BBC to carry us through it. We also know that a strong BBC is necessary, but not sufficient, for a healthy media with a good range of well-funded, high quality public services.

The big unknown is how entirely commercially supported alternatives to the BBC can be made viable until the completion of switchover, much less beyond it. There's only one way to remove that uncertainty, and that is to take steps to safeguard the future of Channel 4 now.

Viviane Reding, European Commissioner for Information Society and Media, spoke at the Digital Lifestyle Exhibition in Brussels on 30 May 2006. Here she set out her vision of an Information Society in the digital age, highlighting the regulatory and technical challenges affecting policy decisions in Europe.

Viviane Reding

Digital Convergence: a Whole New Way of Life

Digital convergence

Technology is not just about a better "lifestyle" it is about a better life for everyone. We need to keep this in mind when we design and implement our policies for Information and Communication Technologies (ICT). That is why when I talk about an Information Society, we are concerned not just about gadgets and smart toys, but services for consumers and citizens and new opportunities for interesting jobs. The key factor of change in ICT today is digital convergence. Convergence is bringing a fundamental modification not only to the ICT sector but also to the way we use ICT across society and the economy.

Digital choice: for consumers

Digital convergence brings together the separate worlds of audio, video, data and voice communication services. Already today we can access the same services and content (e-mail, music, television) using different terminals over different types of networks. The borders between fixed-line and wireless mobile networks are disappearing. In the convergent world, consumers will be in control of their entertainment and media content; what they want, when they want it, and where they want it.

Combinations of technologies are unleashing a wealth of opportunities, blurring the boundaries between market sectors, and proving a powerful driver for innovation and change in a global market. For example, television over IP, (fixed and wireless) is already one of the most successful triple-play and 3G services. The market is still in its infancy, but the 700,000 subscribers of today are expected to rise to 9 million by 2009. Digital platforms are being increasingly used to launch video on demand services. Meanwhile, mobile 3G television is staring to drive 3G take up. Of course this is creating innovative services as different market players try to address the emerging market of new viewers for TV channels and new subscribers to communications services. This is good for innovation, competition and for consumer choice. To be more proactive in developing this agenda and to create models of content provision that are in line with our values.

Mobile TV is a carrier of the next generation of mobile communications technology. But we should be aware of some problems. Spectrum has been made available across the whole US territory and this is paving the way for a nationwide roll out of mobile TV networks. Japan has developed its own technology and is planning for national deployment this year. China is considering whether to select a technology by the time of the Olympic Games in 2008, whilst Korea, the most advanced nation in the field, has already opened up commercial services. If we want Europeans to be able to choose European content then we should make sure that we set the pace for the roll out of these new services by freeing up spectrum, by authorising new services quickly and transparently and by promoting a coherent and market driven approach to the many standards currently in contention in this field.

The digital future is interactive

A significant cultural phenomenon is taking place in the way that we use media: from a passive "couch potato" attitude towards media, such as traditional TV or cinema, towards an interactive consumer attitude similar to blogging or chatting. Some call this the transition from push to pull. We can see this very clearly in the growing world of computer games composed of networked games, mobile games, console and PC games. What we see in this market is considerable growth in multiplayer, online, role-play games. These games are different because the content is created by the players. This does not only create hundreds of millions of euros in revenue for their producers, but is changing the way we view in the digital world. Media are not only broadcast to the user but are defined by the user.

The growth of peer to peer digital media means that people can generate and transact digital content and services over global networks. Providers can be as diverse as small businesses, local libraries and museums, writers and artists, and individual hobbyists and enthusiasts. This creates the opportunity for a much more diverse offering of cultural production and creativity. This the so-called "long-tail" of the digital age where widely available and fast broadband and new web services will free us from the traditional constraints of transmission capacity, broadcast schedules and shelf space. The global marketplace of the Internet creates a new economics which allows content producers to address specialised niche demands. This means new outlets for culturally rich European content.

Policy aims

As TV, film and music go online, and mobile, Europe has a strong capacity for the production of content in new formats as well as traditional ones. However, anytime, anyplace any platform content and services in Europe faces both regulatory and technical difficulties. We do not yet have a European single system for digital content, instead service providers are confronted with 25 different regulatory regimes. My proposals for a modernisation of the rules on audiovisual media services aim at creating a single market framework for all types of audiovisual media services irrespective of the technology used to transmit or receive them. This common framework creates a level playing field between the different providers and gives the legal certainty necessary for new providers to offer their services on a pan-European basis. In addition, we need to open up the radio waves for new portable devices and mobile services – we have to have a more flexible approach for allocating the essential bandwidth we need for these innovative new services.

My vision is of an Information Society in which personalised devices automatically advise to our preferences or abilities. I want to see technologies available to everyone and that help everyone. I want above all to see technologies that bring people together and facilitate participation in society. This is what I mean by digital life. Not a cold, technocratic nightmare, but a future in which technology helps us live life to the full; a convivial and humane future that lives up to and reinforces European values and which will make our economy fly.

We have an opportunity, let us seize it.

At a Royal Television Society dinner in London on 6 April 2006, Simon Duffy, Executive Vice Chairman of NTL Telewest, considered how the Internet will impact on traditional media companies and affect conventional business models. He put forward some strategies to enable 'old media' companies to survive in the 'new media' environment.

Simon Duffy

Internet Protocol versus Intellectual Property

It is commonplace to say that the Internet is – radical, transforming, revolutionary, disruptive – but it is not clear that we have fully recognised how deconstructionist it is. There seems to be an implicit assumption in some quarters that the virtual world will be something like the physical world in terms of economic players and structures. I don't think it will be. I think it will create an entirely different pattern of economic activity, with very different types of players and structures.

I listen to a lot of "old media" companies talking about adopting "new business models" as though the arrival of the Internet was similar to a change in the weather and all they have to do to adapt is put on a new set of clothes. I think it is much more fundamental than that – it is more like a change in the laws of physics, something that changes everything.

All that is solid melts into air

In the physical world gravity holds things together and creates ever-larger structures. In the virtual world gravity is, at least partly, a repulsive force. It is a world that is much less hospitable to many of the real-world structures that had proved to be rugged and robust before gravity changed its nature. Earlier transforming technologies – electricity, the car, the plane, the telephone – spawned major industries and institutions where scale and centralisation created major barriers to entry and which sustained competitive advantage and generated good financial returns.

The Internet, by contrast, pushes capability in its broadest sense to the lowest level of organisation and is therefore fundamentally destructive of large institutions. The web lowers entry barriers. It also empowers consumers by enabling them to become creators and producers themselves and thus to go some way to supplanting the role of many of the institutions that inhabit the technology, media and telecommunications landscape today. That is not to say the Internet will not create some institutions of the traditional kind, such as Google and Yahoo!, but even these could prove to be transitory, in the end not amounting to much more than the shadows they cast.

Spontaneous aggregation

As with all generalisations, there have to be qualifications and exceptions. One is the creation of communities. In this respect, I expect gravity in the new physics will still be a powerful attractor and it will aggregate very large, and potentially very valuable, communities. Old media companies have clearly seen this dynamic and have invested in such communities. However, it is in the nature of such communities to be free, self-sustaining and self-regenerating entities that may not comfortably form part of a corporate landscape.

Robbing millionaires is rarely seen as a crime

Piracy is here to stay on a greater scale than ever before. The Internet has trained youth to regard much content as a free good and there is little we can do about that. The music industry tried education, PR, threats, legal action, legislation and technology, and where did it get them? When young people see their favourite pop stars collecting portfolios of homes and fleets of cars, even if they greatly admire the star, they often conclude that he or she won't miss a bob or two if they download a track illegally. I'm not suggesting that the independent production sector enjoys anything remotely like the egregious returns earned by some music stars, but I suspect that much creative intellectual property gets tarred by the same brush, unfair though that might be.

Telly, telly everywhere, but how much time to watch?

Broadcasting will be hit by piracy and a significant change in production economics. Yet while those certainly won't help, the real issues for broadcasters will be: a major shift in the advertising model; competition from self-created content; and the shift to an on demand world in its various manifestations.

Starting with the advertising model, PVRs and on demand services will have material negative effects on advertising impacts. Some of this lost ad revenue will be replaced by sponsorship and product placement, but these revenue sources will fall well short of the foregone traditional advertising revenues. The trend to self- or user- or community-created content will have a major negative impact on TV viewing hours and therefore on ad impacts and revenues.

The impact of consumers as producers

What may turn out to be the most fundamental impact of the net on our industries is the rise of "the consumer as producer" and "production as entertainment". Clearly, significant chunks of traditional broadcast content will not be replaced by community-created content. Communities are unlikely ever to have the organisational capability to produce a major movie or drama series. But whether it is existing content being undermined by community content or whether it's new forms of content that we have not yet envisaged, of which blogging and its derivative forms might be harbingers, a lot of traditional broadcast content might be displaced by community content, and this has to be factored into our forecasts and business models.

Survival strategies for old media

It is inevitable that the Internet is going to cause many old media businesses to go through the kind of painful cost restructuring that the music industry went through, including major consolidation between competitors. To ruthlessly attack all areas of cost that do not confer competitive advantage is a sine qua non of survival and an essential condition of any kind of prosperity. However, to keep entry barriers high, you need to invest to create competitive advantage. Effective investment might include some of the following:

1. Get a great brand. Many people will feel lost in the Internet space, and a great brand can provide its own gravity.

2. Develop a customer-centric, services-based strategy and ensure you have the ability to lead in the interactive, anywhere, anytime, anyhow world.

3. Develop or acquire rights, such as sports and movies, which are the least likely to be challenged by new types of content.

4. Facilitate communities and spaces in the Internet for people to create their own content, but probably don't try to own those spaces. Corporate ownership of such properties is fraught with risk and uncertainty.

Tough choices ahead

The new forces will fill the sails of new players, but the natural topology of the Internet – atomised, decentralised, individualistic, anti-institutional – will probably result in a much larger number of smaller players and fewer oligopolistic structures. Those new, large structures that do emerge, based mostly around communities, may not sit comfortably in traditional corporate entities.

Three questions we should be asking ourselves are:

1. Do we have the courage and rigour both to recognise and face up to the issues, or will we deceive ourselves with false comfort and shoddy thinking?

2. Do we have the vision and imagination to craft strategies and solutions to mitigate or completely offset the forces working against us, or will we suffer intellectual and imaginative failures?

3. Do we have the energy and determination to implement those strategies and solutions?

The British creative industries, both content and distribution, have consistently punched above their weight in global terms. They have done this by demonstrating courage, rigour, vision, imagination, energy and determination. It will be tough, but I would rather start from where the British creative industries are today than from the position of almost any other creative sector in the world.

During a keynote speech at the Future TV Conference in Copenhagen, 19 June 2006, Andy Taylor, Head of New Media at Channel 4, considered two different uses broadcasters can make of the Internet. Firstly, by enhancing and extending their television output online and secondly, through the development of their on demand services.

Andy Taylor
TV, but not as we know it

Predictions about the future of media have a nasty habit of turning up a few years later as hilarious jokes in other people's speeches – there was the theatre impressario who said cinema would never be more than a fairground attraction; the Warner Bros executive who recommended throwing away the prints of all the old movies because they would never be worth anything, and the senior MP who said TV was already a thing of the past because all his constituents were making their own content. The reality is that new technologies may push out old technologies but new media rarely kill off old media – they just learn to live together.

Many of us grew up in a world where television was central to people's lives and broadcasters were the gatekeepers. For those under 25, television is no longer their primary focus for entertainment and information and when they do turn to television, there are up to 400 channels available. Their relationship with television has changed too. It's no longer one way but dynamic – they want to schedule it, interact with it and share it and then they want to view it when they want, on the device of their choice. By embracing new technology and new business models, broadcasters can position themselves to exploit new platforms and opportunities.

To do this, Channel 4 has developed a 3-pronged strategy. Firstly, we will continue to invest in Channel 4, the core Channel. In a world of many channels and many platforms, innovative, imaginative and event-driven programming will stand out. New online players are undoubtedly a threat but they're unlikely to commission expensive drama at a cost of up to £1million per hour. Secondly, Channel 4 will invest in a portfolio of new digital channels, such as E4 and More4, to help maintain its audience. The third and final leg of the strategy is to embrace and invest in new media. We're interested in commissioning not only content related to Channel 4 programming but also content commissioned bespoke to platforms

The point is that the three arms of our strategy don't compete with each other – they re-enforce each other. The new enriches the old. The old underpins the new.

Today, however I'd like to focus solely on the online platform and consider two different uses broadcasters can make of the Internet. Firstly, how broadcasters can develop content to enhance and extend their television output and build communities around their programming. Secondly, how broadcasters can use the Internet for on demand purposes by making full length programming available.

So, first let's deal with how broadcasters can use the web to build online audiences around their programming. This is an area where broadcasters are most comfortable. This form of online viewing is incremental, not substitutional and is really where broadcasters started on the web and where they've focused to date. Channel4.com supports, in some form or another, every programme on the Channel. By offering extensions and enhancements to programming, whether it is behind the scenes footage, a webisode, a show card or simply a forum in which fans of a show can chat, broadcasters can extend the enjoyment of a show beyond its television broadcast. In this environment, both the TV and the PC can drive audiences to one another.

Ordinarily, a long running series will lose between 10 percent and 15 percent of its viewers during a series. By offering innovative, creative content made for the online platform, broadcasters can keep their audiences engaged in their programmes despite the disruptions of a content saturated media world.

At Channel 4 we've done this better than most. Web traffic is doubling year on year and we've seen some significant engagement with programme support sites. It's time for a step change though. Today, I see too much online "brochure ware" or "show cards" for television programming where viewers are offered only a little extra online. It's time for broadcasters to technically and creatively step up a gear and challenge themselves to stretch the online platform. Programme support websites should not just offer additional information, they should seek to create communities, encourage user generated content and offer the opportunity to live and breathe the show.

Now, let's move on to video on demand. With 10 million broadband homes and continually increasing broadband connection speeds, time-shifted, on demand viewing of TV programmes is now a reality.

At Channel 4 we have our own experience of the demand for viewing programmes on the web. We're witnessing an average monthly growth of 50 percent in the video served from channel4.com. This has included demand for full length programming. In 2005, we premiered the *IT Crowd* (a new C4 comedy) on channel4.com making all episodes available online before broadcast. The series was viewed 500,000 times. This growing demand for full length programming online and the continuing growth of broadband penetration is significant. In my view, just like black and white to colour and analogue to digital, the shift to on demand will fundamentally change broadcasting.

The key to the new, on demand world will be functionality and ensuring viewers have the ability to easily find what they want and what they didn't know they wanted. In television, we need to understand the importance of search, metadata, ratings and recommendation. We need to consider how viewers can go on a journey of discovery with our content. How will an online viewer of *Wife Swap* find their way to other great Channel 4 programming that they didn't know about and great Channel 4 content they'd forgotten about.

This is where a rich archive of programming becomes so important and the "long tail" a reality. It's an often quoted statistic that Amazon gets one third of its sales from the "long tail". The equivalent in broadcasting offers new revenue streams to production companies and broadcasters for content currently "sat on the shelf". It also makes great programming accessible to audiences who may have missed a great series or show.

So, embracing functionality to allow viewers to navigate through content will be essential. In time though, we'll need to offer even more. We need to let viewers create and share channels and playlists with our programmes, schedule our programmes, rate our programmes and comment on our programmes.

This need for functionality requires broadcasting to engage with new skill sets and place technology at the core of their offering. Yes, content will be as important as ever but technologists will also require a seat at the table where services are brainstormed and developed.

My final thought on on demand is that whilst viewing is largely substitutional, it is not often enough said that this form of viewing attracts new audiences and helps retain old ones. As I mentioned earlier, long running series see an erosion of audiences over the course of a series. On demand viewing offers broadcasters a chance to find and keep these viewers, so we mustn't always equate on demand with falling linear television audiences.

The pace of change in broadcasting is unquestioned. It's not all about the decline of broadcasters though. New media platforms provide significant opportunities both in respect of enhancements and extension to television programmes and to on demand services.

The television business certainly needs to take notice. Whilst some might laugh at the old predictions of doom – that TV was going to kill off cinema – and didn't; that multi-channel TV was going to wipe out terrestrial TV – and didn't. Let's not forget the web and the proliferation of illegal peer to peer networks pushed the music industry pretty close.

I think the television business is fortunate to have a number of advantages over record labels. Firstly, we are able to learn from their experience and the lesson seems to be – turn the tap of content on as soon as possible creating legitimate ways to view content online.

Secondly, we have strong consumer brands and are editors of choice. The consumer may be in control in the new media world but confronted with such a bewildering range of choices, most of us are happy to accept a little help from a known and trusted guide.

Thirdly, let's not forget that what count as big visitor numbers in terms of online services count as very small numbers in terms of TV audiences. Broadcasters can use these large audiences and the massive marketing power of free to air television to promote fledgling online or on demand services.

I believe these three advantages give broadcasters a strong chance to remain relevant in the digital world. Of course we have to change the way we work – we have to think like new media operators and we have to understand the importance of functionality and technology. But let's not forget that however rapid and radical the changes in technology, however sophisticated the access systems and the marketing, in the end what will drive our industry in the future is exactly what has always driven it in the past – original, innovative, high quality content.

At a Royal Television Society dinner on 23 May 2006, Ashley Highfield, BBC Director of New Media and Technology outlined his plans for the reinvention of bbc.co.uk. These included proposals to ensure audiences can engage with the broadcaster's content to its maximum potential through Find, Share and Play.

Ashley Highfield
The Future Role of the BBC as a Broadcaster on the Web

The Internet is changing. It is becoming more translucent and porous. It's becoming less centrally controlled – if it ever was. Peer to peer and other technologies are shifting the power from the centre to the nodes at the edge of the network: you and me. This is a tough culture shift for an organisation used to the certainties of the broadcast world. Used to the idea of almost total control over what and how you watch, listen and consume.

In this much more fluid world though, the imprimatur of the BBC, the stamp of independent, trusted, innovative, quality content, will have ever more, not less, saliency. And I believe that how we deliver our programmes – the context – will be every bit as important as the content. Success in the web 2.0 world for all of us will come down to 'discoverability'. Great technology will take us part of the way – for example using powerful search algorithms to query our information about programmes, our metadata, and unearth clips of Churchill from our archive using text, voice, face, or other pattern recognition. Harnessing the 'wisdom of crowds' or social software, from buddy list recommendations to 'most downloaded', will take us further.

But to give our audiences not just what they want, but what they didn't know they wanted, what will surprise and delight them, often without the distractions of a thousand alternatives, well that will require the web to adopt the skills of the broadcast industry of the last 80 years. Skills such as scheduling programmes in the knowledge of which audiences will be tuning in, packaging programming in a way that enables the smooth transition of audiences from one programme to the next, promotion and marketing skills, and of course commissioning of great ideas that capture the national mood and deliver reach beyond traditional audiences.

Fundamentally, establishing a clear editorial voice that is flexible and intuitive to meet the needs of the on demand world. And right now online, especially where rich media is concerned, this combination of technology, audience behaviour, and editorial skills is all too rare.

So we've got our work cut out. The Martini media world of anytime, anyplace, anyway, requires that we must radically reinvent bbc.co.uk. Firstly, making sure our content always matches our values and the high expectations of our users, applying the same discipline that spectrum scarcity forces TV and radio to enforce. Put another way we must learn better what 'de-commissioning' means in the web space. And secondly, making sure our content can be found, played-out, shared and contributed to.

Find. Play. Share.

These are the three closely connected parts of the supply chain or conduit that will see our content reach and hopefully delight and engage the largest possible audiences. 'Find' is all about producing next generation search and navigation services. 'Play' starts with our plans for BBC iPlayer, which is subject to a Public Value Test, and builds on the success of the BBC's RadioPlayer. And 'Share' is at the heart of bbc.co.uk 2.0: personalisation, contribution, recommendation and innovation.

The journey to reinventing 'Find' has begun. We have launched the BBC's programme catalogue going back 80 years as an experimental prototype. We've also relaunched the BBC's website search engine and Internet search engine. But this is just the start. It still has nothing like the editorial strength we're aiming for, and still barely harnesses the wisdom of crowds. Working with our partners, within a year, we aim to offer one of the world's most comprehensive video, audio and text editorialised search services.

With 'Play' we have a clear proposition in BBC iPlayer, which is subject to a Public Value Test. It is proposed to incorporate a 7-day catch-up radio and television service, live streaming of our television channels, and separately a pilot of the Open Archive. iPlayer builds on the findings from the iMP trial which showed programmes downloaded via iMP accounted for 6 percent of triallists' total viewing from the BBC. It showed that the "long tail" applies equally to TV programmes as it does to books. Some 96 percent of all programmes offered were downloaded. It showed that some programmes, released from users' pre-conceptions of channel brands, could find a new audience in the on demand world, and it showed this service was of equal appeal to men and women.

'Share' – a philosophy which is at the heart of bbc.co.uk 2.0, it comprises not only innovative, interactive new formats which you may have seen or heard about like Jamie Kane, Action Network, and Wannabes. It also has at its heart themed, editorialised user-generated content. 'Share' is also about this idea of being more a conduit than a gateway, of trying to get out of the way, of moving from the centre to the edges. For example, in autumn 2005 we ran The Children in Need Great Big Bid which pushed people through to eBay to buy and sell items for Children in Need and raised £1million.

The ultimate aspiration is to bring all of these new initiatives together into a comprehensive re-think of what the BBC's public service offering on the web should look like. An offering which allows users to create their own personalised version of bbc.co.uk and to share it with others. Not through expansionism but partnership – partnership with commercial companies and with our audience, achieving a balance between the need for some central control and coordination, and 'letting go'. Please feel free to help us!

Anthony Lilley, Chief Executive Officer of Magic Lantern, considers new media's journey over the last decade. He anticipates that the coming year will be the most eventful to date, as broadcasters, producers and regulators continue to position themselves in the digital world. A version of this article originally appeared in the MediaGuardian Edinburgh Festival Special, August 2006.

Anthony Lilley

New Media Comes of Age

Finally, new media seem to be coming of age. Let's think back to how far they've come in a little over ten years. It's 1994 and most people greet the arrival of the new-born World Wide Web with the kind of fleeting interest which recently delivered infants receive. There's brief cooing and feigned fascination with the details which those closest to it, including myself, gushingly share with anyone who will listen. I earn my first media pay cheque installing modems and setting up web pages; the nappy changing of the new world.

Around 1996, in the terrible twos, come the first adverts; many of us know online will never be the same again. The mass market and money beckon. Then comes the precocious period between the ages of four and five. This is just before the turn of the millennium and the threat of the bug that never was, created by coders too limited in imagination to conceive of the year 2000. It is called a "boom". Once all the fuss dies down, the web quietly goes out into the world on its own and gets to know its peers, just like the first day at school. It doesn't need our permission, it just becomes part of the furniture. Somewhere along the way, without most in the established media noticing, it gets seriously popular, regardless of what the short-termists in the City say. Broadband, the web at a proper adult speed, is the most rapidly adopted technology ever.

Fast forward to August 2006, in the UK we are poised for the biggest year yet in the short history of networked media. It will see more failed ideas and new content, more promises of synergy and "multi-play" products than ever before. There will be strange looking deals which will make News Corp – MySpace seem coy. New businesses will grow quickly online, an environment which is now more familiar to the wider population (and not just their kids) than some in the established media, many of whom came to this cynical, defensive and late.

The next year will finally see the acceleration of convergence. But this convergence will concern businesses and audiences more than technologies. This news will disappoint the geeks who are waiting for the perfect all-singing gizmo which will let them watch TV, do their email, listen to music, catch up on work AND get the girl.

This convergence is a form of efficiency being dictated by the market and it's all about the structures of the media sector. The battlegrounds on which it is being fought are access, aggregation and attention. This is why Sky is now in the broadband as well as the TV access business and why BT is getting into entertainment; Orange is hawking free

Internet access and 3 describing itself as the mobile media company. Control access and you can make money and have influence – Sky and BT have been doing this for ages. Gather the attention of audiences and you can do supremely well – Sky does it with football, the BBC does it superbly at times on TV and even online, C4 likewise. But don't forget RocketBoom and beware the phenomenon of multiplayer games – World of Warcraft anyone?

Aggregate content and information and you have the real, new-found power. Aggregation goes way beyond forcing people to watch stuff at a time of your choosing, a black art called scheduling which TV broadcasters perfected in a world where bandwidth and channels were scarce. Are you watching ITV? The skills, the expectations and the technology are changing rapidly. Google and Yahoo! aggregate on a global scale, eBay aggregates buyers for anything someone wants to sell, MySpace aggregates self-image as does Bebo, YouTube aggregates homemade TV and clips of all natures, bloggers aggregate at a level of one. Broadcasters, even those with relatively mature online operations are struggling to understand their place in this world.

Why this is happening can be summed up in two words; choice and control. Give people one and they immediately demand and take the other. Make it possible for us to interact with each other, choose our own content and even control it as in computer games and we vote for it with our shoes, our watches and our wallets.

2007 will see the first real structural changes in the media sector since the too-early, benighted but strategically logical AOL/Time Warner merger. We're going to see it all kick-off again in the coming year. There will be internal rearrangements with grand names like Creative Future, new product offerings and mergers and acquisitions – watch this space for VOD players teaming up with ISPs and more.

But a word of warning. Last time, the strategists forgot about the people out there they call customers. They ran ahead of demand or, in the case of digital music, they developed a deaf ear to it in a bid to buy time and to protect the way they were used to doing business. With a market the size of the UK broadband market – even forgetting the global dimension – that error will be fatal this time.

So, a few thoughts to season the debate. Broadcasters and producers need to think about what the offer of the whole TV sector looks like to people; will it make sense if, under the new rights deals, some shows on your VOD services have a watch-by date and then disappear into "black-out" for a few months whilst others are always available? Will people understand why the BBC does one thing and everyone else another? When the time comes to euthanise DVD, do so quickly and save us all the pain; better DVDs and online delivery will be here very soon.

But the major opportunity facing broadcasters and producers is to create experiences online. The commercial potential is massive and most of the other players in the market have no idea where to even start, notwithstanding regular scare stories about telcos getting into TV.

Three things are standing in the way of the creative sector really getting a grip of this opening. Firstly, defending and extending your core business in the online age are necessary but not sufficient steps as the music labels have found. You need to embrace the new environment and try to see things from its point of view, not jemmy it into yours. Just as an example, advertising is not dying because TV ad sales are falling, for instance. It's evolving into better advertising. Ask Google.

Secondly, seeing things through the broadband lens requires a different approach to TV. This may well require different organisational structures as Mark Thompson believes, but it will also require much more. The people at the top of the new organisational chart will probably understand the strategy – and the strategy may even be broadly correct – but until they live the networked life – which most don't – they'd better work hard to listen to people who do. People change more slowly than organograms.

Thirdly, the mindset of online creative work is different to TV. The root of most value online is the connection, not the content. You need to get into the experience game. Content can be valuable for making or triggering connections but it's not what really defines the online experience. If your head is wired for content over connection then you have some valuable skills, just as you always did, but there's more to it than that. If you can understand how to create connections around content, how to architect experiences from it including how to share it and then maximise its impact on the network then you're going to be popular.

What about others in the overall scheme of things; access providers for instance? Those guys should watch out for the "free broadband" thing. There's no such thing as a free lunch and people know that. They might not be as willing to carry on paying for other products bundled up with their new low-cost broadband, like phone calls and subscription TV, as you think. Audiences? Remember that choice and control are only a few clicks away – and that big money is being made aggregating all that choice just for you.

And finally, regulators. They're going to have a heck of a time working out where one sector ends and the next begins so that they can apply the right rules. Maybe it's time for a converged approach? In the world of plenty we are now entering, people, content and search systems which show the way to valuable experiences are going to be at a premium; clearing the way for them all to create social as well as commercial value is the big challenge ahead.

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