

a format distribution perspective

## multichannel formats and the rise of customised viewing

**Chris Bonney**



Adopting and copying established TV programme formats is a growing trend in the global TV marketplace. For the format developer, the rapid expansion of multichannel television has been a welcome development

International format distributors find themselves in interesting times. Different regions of the world are emerging from a universal economic downturn at different speeds and with significant variances between countries, but there are a number of commonalities to the international television business that allow us to draw some overall conclusions about the way the medium is evolving on a global scale.

### **viewer demand for local programming**

A vast increase in the demand for locally-produced programmes has been a major factor in the development of television across the world over the past ten years. Those terrestrial broadcasters which have filled their schedules with such programmes have generally won the competitive ratings battle which has become such a feature of our industry today.

It is important to remember that the deregulation – or, indeed, development – of television has been relatively recent in many parts of the world. For example, it was only comparatively recently that private commercial channel licences were awarded in territories as large as Germany (1984), Spain (1990) and Italy (1980). And in order to establish themselves with a competitive programming schedule in the most cost-efficient manner, many channels went knocking on the doors of the US studios and

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acquired their series and films in significant volume. This is the television diet to which viewers were initially introduced.

But viewers' habits soon began to evolve. Beginning with a basic supply of news and sport, broadcasters had to expand their local production to include genres such as drama series and serials, entertainment and current affairs. Today, the schedules of many of the successful broadcasters in emerging markets have caught up with those in the mature markets of Europe. Allowing for local exceptions – such as the predominance of the telenovela in South America – the schedules of broadcasters across these territories are looking more and more similar each day.

#### **media ownership in the hands of a few big players**

A few major players now dominate the broadcast scene in key markets around the world. Bertelsmann's RTL Group is a good example of a media owner with major

broadcast interests in Germany, France, Spain, the UK, Holland and Belgium, with its eyes increasingly trained towards Eastern Europe where it already has ownership stakes in broadcasters in Hungary and Croatia. Harry Sloane's SBS Group has also taken a strategic position in the Scandinavian and Benelux markets with further interests in Eastern Europe. And any review of media players would not be complete without a mention of Murdoch's News Corp, which is pursuing very much a global strategy with its interests in the US, the UK, Australia and Asia with a growing emphasis on the pay-TV model.

Across these organisations, schedulers and commissioners from the different networks are constantly sharing information about which of their new programmes are working successfully. Some of them club together in order to increase their buying power with producers and distributors.

#### **media owners and risk**

Gone are the days when a producer or distributor would sit down with the owner of a network and, on the basis of gut instinct, make a decision on a major new programme strand there and then.

With ownership increasingly in the hands of media conglomerates and – in some

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cases – banks and venture capitalists, the pressure on the network chiefs to deliver strong ratings performance (often with a very short-term perspective) is considerable. So programme directors increasingly find themselves in the business of risk minimisation rather than genuine innovation. And when a new programme or genre trend emerges, it's flogged to death in order to deliver short-term gain. Who Wants to be a Millionaire? single-handedly transformed the fortunes of the ABC network in the US. But the show was over-exposed and didn't stay in the prime time schedule beyond three seasons.

### swift adoption of short-term trends

Unquestionably, the world is smaller today than ten years ago. Communications technology has revolutionised the speed with which information is processed and disseminated. When ITV in the UK or NBC in the US has a ratings hit with a new show, its performance (and sometimes even a tape) will be on the desk the next day of leading broadcasters in Europe, South America and Asia. And they will make rapid decisions to acquire such programmes if they believe they can do a similar job for their audiences.

### so what's working around the world?

The business model of Screentime Partners (and indeed of other format distributors) – which is one of offering proven, structured concepts from one territory to broadcasters in other markets which can be adapted with the aid of expert production know-how – seems to be bearing fruit because it answers the requirements of the trends outlined above. Formatted entertainment (for example, studio quiz, talent and reality shows) has been a common feature of broadcast schedules around the world over the last four or five years. Who Wants to be a Millionaire? has been produced in over 100 territories, from Peru to Sri Lanka. The Weakest Link has been seen in 70+ territories; Popstars in 44; and Big Brother in over 20 territories.

Such shows come with a proven track record from a major market together with a detailed bible and production assistance from an expert involved in the making of the original show. They are re-made in the home market with local participants and they can contribute to local production quotas. And the format genre seems to be continually expanding in line with the unfulfilled appetite of many leading broadcasters.

For example, reality shows have been fused with more traditional documentary concepts to create interesting hybrids such as Faking It and Wife Swap. And sure enough, broadcasters in territories such as the US, Germany, France and Australia are readily importing these ideas as well. From the US, reality dating shows such as Joe Millionaire and Meet My Folks are coming across the Atlantic to leading European

broadcasters. Beyond the US, competition is increasing all the time because broadcasters, which were formerly importers, are becoming exporters. For example, Australia's Channel 9 has had a big hit with the reality house-makeover show, *The Block*, coming to British and continental European screens soon.

What all this amounts to is that the format business is growing up in response to the demands of terrestrial broadcasters for low risk, high ratings programmes with a strong local flavour. It's a multi-lateral trade and, although it's increasingly competitive, the range of opportunities also grows as the market expands. Ideas that have lost currency in one market can often meet a scheduling need in another. So when one door closes, there's another to prise open.

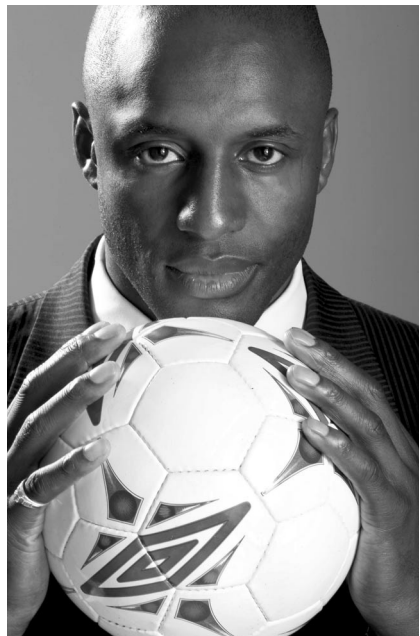
**multichannel: answering the demands for customised viewing**

So where does the multichannel model fit into this increasingly global trend for adopting and copying programmes? Firstly, it's worth mentioning that the UK is very much the multichannel role model among all the leading broadcasting territories of the world. And the advances we have made in consumer adoption of digital technology (now at seven million UK homes) put us even further ahead.

It's also important to add that the multichannel model is restricted to the more sophisticated television markets such as the US, the UK, France and Germany. There are plenty of cable and satellite operators beaming out international channels to viewers as far apart as Asia and Latin America, but the pay-TV model combined with the low disposable incomes in such areas places a limit on the number

of subscribers and amount of locally produced programming which can be afforded.

Painful to acknowledge as it may be, we all owe a big debt of thanks to Rupert Murdoch for relentlessly persevering with the Sky pay-TV model through all the investment years and helping to create the infrastructure for the multichannel environment we have today. An environment which is proving increasingly rewarding for viewers who prefer to proactively construct their viewing schedule and select programmes and channels more suited to their own interests and lifestyle, rather than be dictated to by the mass appeal schedules of the terrestrials. With the success of the multichannel financial model, these viewers are now being served



*John Fashanu: Fash FC*

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with attractive, custom-made shows such as *Fash FC* on Bravo, or *Most Haunted* on LivingTV.

For the format distributor, the success of multichannel has been a very welcome development. On the importing side of the equation, I now have a viable alternative for placing my international formats into the UK market with broadcasters who are often more open and straightforward to deal with than their terrestrial cousins. The speed of the decision-making process and clarity of feedback are particularly refreshing. On the export side, some interesting concepts are being created through the injection of substantial budgets into the UK production community. Their willingness to experiment with new ideas can be greater, due perhaps to such a profound understanding of their specific target audience and a greater certainty of what will appeal to them. And broadcasters abroad are beginning to take note of these ideas as well.

**constant change, constant opportunity**

The television industry is one that evolves faster than most. And it capitalises on the

introduction of new technology and skills in order to adopt new ideas and approaches very quickly. Right now, the clear trend among the large domestic broadcasters is to maximise viewers while minimising the business risk. Shareholders want a guarantee of success while viewers have become increasingly demanding. Formatted entertainment concepts have offered one important solution to this need, for all the reasons outlined above. Perhaps they are here to stay forever in the eyes of commissioning executives around the world; it would certainly make my life easier as a format distributor. But if there's one thing for certain, it's that we are in a world of constant change and this creates huge opportunity.

If our creative producers – particularly those from the UK – can keep evolving the format genre while maintaining the required degree of social responsibility, then the prospects look good. Similarly, for the world of multichannel TV in the UK, things are looking positive because viewers are demanding more programmes for themselves: for their lifestyle, their interests and hobbies or just for their pure entertainment. Every month, more of them join the digital bandwagon, so more of them need to be entertained with fresh, innovative and specific programme ideas.

One thing, however, never changes and it's common to both the multichannel and the format distribution industries: content is king! ■

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