

a broadcaster perspective

television: adapting to thrive

Dick Emery



In a consumer-driven world it is imperative that broadcasters respond to the changing demands of their customers if their businesses are to survive and thrive in the future. But the question is: how?

It's the nation's favourite leisure pursuit - 25 hours a week, three and a half hours each day, 22% of every waking hour. It's astonishing really, in a rapidly-evolving world where we are rushing to multi-task, re-skill, attend the gym, globe-trot and pack ever more into our daily lives, that the average UK citizen finds more time to watch TV than any other activity – bar work.

Television plays a central role in our collective psyche, too. Many of our most abiding memories have been shaped by it: the assassination of JFK; the sorrow of starving children in Ethiopia; the global response of Live Aid; the live tragedy of 9/11. These and lighter moments – Del-Boy 'leaning' on the bar; Basil Fawlty not mentioning the Germans; and most recently, when Jonny Wilkinson made England's World Cup dream a reality with that last-minute drop kick – prompt powerful televisual images that most of us can instantly call to mind.

The tremendous communication power of TV can also claim much of the credit for establishing our most famous and successful brands: "For mash get Smash" (1973); "Only Heineken can do this" (1974); "Zanussi - the appliance of science" (1988). Most of these campaigns proved so powerful that they ran unaltered for many years. In the case of "It does exactly what it says on the tin", used in 1992 by Ronseal (arguably a low interest DIY product) the line proved memorable enough to become the de facto colloquial statement



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to describe any product or service which delivers. So famous has this phrase now become it has even been added to the latest edition of *The Oxford Book of Modern Quotations*.

The simple truth is that television has become a constant and defining element of our culture, information and entertainment – and this despite the fundamental changes it has, and still is, going through.

constant evolution

Television has evolved substantially, from

the dinner-jacketed continuity announcers of the early BBC, via the upstart commercialism of independent television, to today's live & exclusive multichannel era driven by a combination of technological development, entrepreneurial initiative and consumer demand. We have moved from a pre-50s world of single channel public

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service broadcasting to the brink of 350+ multichannel services. The bulk of this change occurred within the last 15 years. And the pace of change is accelerating.

The development process has been relentless and our consumers, the viewing public, have responded with enthusiasm to the products and services that have been placed before them: channel choice; commercial TV; colour; stereo; the VCR; remote control; satellite; cable; pay TV; premium pay TV; subscription sport & movies; the EPG; the PVR ... the list goes on. But it's not just the technology that's changed – our customer relationships have, too. For while TV remains the nation's favourite leisure pursuit, how viewers use it has changed beyond all recognition.

Since the launch of multichannel in the early 1990s, more than twelve million households have taken up the offer of choice delivered via satellite, cable or digital terrestrial television (DTT). And in a world of 350+ channels, viewers have adapted their viewing patterns accordingly.

Television continues to offer the opportunity for shared viewing experiences – and will continue to do so. However we must recognise that levels of audience viewing to the majority of individual programmes will, inevitably, continue to decline as viewers develop bespoke channel and programme choices which more accurately reflect their own personal viewing preferences. Today's typical UK viewer has a favourite repertoire of ten or more regular channel selections, and is more than comfortable to navigate through the available choices using the ready technology of the TV remote or EPG. Having discovered the merits of targeted

'me TV', viewers cannot be expected to return to the mass viewing environment of yesteryear.

We are not alone in this experience. In the US as the penetration of multichannel homes and range of channels broadcast has grown, the average network adult TVR has declined from 13 in 1992 to just six today. The advent of multichannel choice has encouraged viewers everywhere to vote with their feet – or perhaps their index fingers.

new rules for a new era of mass personalisation

Mass personalisation allows the viewer to make individual and eclectic channel choices. It heralds an era where the rules of engagement defined in the pre-multichannel world are just no longer appropriate. Television will continue to offer mass reach and a powerful communications environment but the composition of that reach will be radically different from today. Clearly we will continue to witness genuine mass audience viewing occasions driven by live sports, major movies or significant news announcements and events. However in reality we must accept that these will become increasingly scarce opportunities. Our business is moving from one which is historically driven by shared viewing experiences to a more bespoke delivery – a medium of mass personalisation.

As an industry we must carefully consider the implications of this change. For while the memory of those dinner-suited continuity announcers may now raise a wry smile we risk ignoring an equally significant shift in our relationship with our viewers today. As an industry we need

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to acknowledge this change in behaviour and develop our business strategies accordingly.

The balance of power has irrevocably shifted from scheduler to viewer, and the challenge for the broadcaster is understanding how best to evolve in this new environment. We need to consider the individual needs of our viewers, and develop schedules and services which will meet those needs. If we consider shifts in viewing patterns as a move towards segmentation of our medium – a conscious customer choice to view – then we can work to develop services that meet the specific needs of our viewers. Viewers are making active rather than passive channel choices and as such are far better disposed to engage with the programmes and commercials being presented to them.

time to change – and change can be our friend

The UK broadcast industry has moved on from a model based upon limited competition, a commitment to delivering rapid mass coverage and a passively receptive viewing public, and we need to get used to it. Now we must acknowledge the right of viewers to be selective in how and what they view. We must be appreciative of customer requirements and

deliver services which meet specific needs and interests. We must aim to deliver and promote our services in unique and highly differentiated ways. And we must provide our viewers with viewing cues and navigation aids which provide reassurance of our product delivery and help viewers feel at ease in making viewing selections.

In essence we must become more adept at delivering customer-focused brand propositions which deliver appropriate and relevant channels to our viewers. In delivering these goals we can learn much from the successful brand advertisers who use our services. And perhaps a little nearer to home, we can also learn from the product development strategies of our competitors in the magazine marketplace. Imagine the power that can be delivered through the focused editorial stance of magazines - delivered with the power of television.

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UKTV's response

Reviewing our business in this way has led us to re-evaluate our processes and consider a more customer-focused way of working and developing content. We believe we have developed channels delivering targeted viewing choice – and recent research from the Periodical

Publishers Association (PPA) demonstrates that we (and others) are succeeding. A PPA study conducted in 1983 found that 70% of DIY enthusiasts cited magazines as their preferred medium for ideas and information. The results from the same study in 2003 show TV being the medium of choice for 53% of respondents with magazines having declined to 43%. The PPA study goes on to highlight similar turnarounds in consumer preference across the categories of DIY, food & drink and gardening.

This turnaround is highly significant – and UKTV is well placed to serve these



Ian Hislop, 'Have I Got News For You', UKTV G2.

consumer needs. Throughout 2003 we developed our portfolio to better serve both viewers and advertisers. UKTV G2 was launched as an exciting and bold addition to the UKTV entertainment offering; our aim is to attract to the network a vibrant new audience of 16-34 year-old men. UKTV Food was enhanced by the launch of a +1 service – the channel, now in its second year, is attracting a growing audience of ABC1 women with its promise of "mouth-watering TV". Meanwhile UKTV History, which celebrated its first birthday by winning the accolade Best New Channel of

the Year at the Edinburgh Television Festival, continues to develop a unique bond with a loyal ABC1 male audience.

These and other channel developments, launches and enhancements are the fruits of a major programme of research and dialogue designed to enable us to better understand viewer needs and evaluate how best we can fulfil them. We have made a conscious commitment to overturn previous working practices and develop a customer-focused approach to driving our business. The cornerstones of this process are: knowing our customers; brand awareness; and a principle that every second should be entertaining.

knowing our customers

We have developed a clear view of which audiences we serve well – and also those we don't. Channels like ours shouldn't try to meet everyone's needs all of the time, but some of the audience's needs a lot of the time. In 2003 we set out to clarify just which audiences we can service well and, indeed, which we don't.

Our audiences are not best described by the standard demographics of age and class so we started from individual panellists' viewing behaviour as reported by BARB. Among multichannel viewers, ten distinct clusters were identified. Each was differentiated by the programmes they actually watched. Five of these, representing 60% of multichannel viewers aged 25 or over, were highlighted as viewers most attracted in varying degrees to each of our own channels. As such, these five clusters were deemed the best targets for future channel developments. Of course UKTV retains traditional objectives – such as ensuring certain

channels appeal to broad groups, like ABC1 women or 16-34 year-old men. But UKTV's approach is unique because everyone in the company can now understand the nature of, say, 'Water Cooler Watchers' or 'Quality Seekers'. From now on, all future channel and programme developments will be appraised against each target cluster group's affinity with a particular channel.

brand awareness

Within a landscape consisting of 350+ competitive products it is essential that we develop a strong network brand. Through the development of our 'UKTV Brings You Home' campaign we are creating a strong network identity to act as a beacon for existing and potential viewers. This campaign has shaped our on-air and off-air marketing activity and increasingly activity is being refined to reflect the differing needs of specific viewing clusters on different channels and in different dayparts. Analysis of marketing activity during the year demonstrates that the campaign is proving to be successful in establishing brand awareness and directing viewers to appropriate viewing opportunities, ensuring that we produce and deliver targeted content to appropriate and engaged viewers.

every second is entertaining

In common with all other commercial broadcasters we have historically sought to sell the maximum amount of advertising minutage while also using the promotional minutage in our junctions to promote programmes and events across our network. While this strategy made sense in the pre-multichannel home we believe it has become inappropriate in a

350+ channel environment where viewers flick between channels if they are not being entertained.

Faced with the prospect of staying through a seven minute programme junction comprising four promotional films and eight or nine advertisements – or using the EPG/remote control to seek alternative entertainment – should we really be surprised if the viewer chooses to view elsewhere? We believe that if we can reduce the duration and range of messages within our junctions we will be able to address this trend and build viewer retention, improve the size/profile of audience we have to sell to advertisers, and enhance the value of our airtime for all customers: viewers and advertisers alike.

We will only have conclusive evidence of the benefits of these initiatives when the full programme of activities has been launched this year. Our work to date makes us confident that our development proposals will prove popular with our viewers and thereby enhance the benefits and value of our channels for advertisers and ourselves. We cannot yet be absolutely certain how viewers will respond – we need to gauge their response over a period of time, and where appropriate adapt our offerings accordingly.

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Failing to change, however, is not an option. The TV medium remains phenomenally powerful but our customers are now viewing and using our medium differently. We need to respond to this if we are to retain our pre-eminent position within the future media landscape. Our plans are intended to improve the quality of our medium for all stakeholders, viewer, advertiser and broadcaster – if successful this will be a genuine win-win enhancement.

We have referred to the world of single channel, public service broadcasting and how much of the change we have seen since as being recent. Part of the old public service/terrestrial-only model was an inherent shortage of commercial airtime. Under this old model, any restriction on the full sale of all legally available airtime was tantamount to inflationary rationing. Any changes we might introduce, even if intended to benefit both viewers and advertisers, could therefore be perceived as a simple market manipulation. This is exactly how some industry critics have responded to our plans, of course. So a key part of the task that lies ahead requires that, through demonstration of expected benefits, we challenge these negative voices. While UKTV is committed and prepared to act as ‘thought leader’, we are acutely aware that we cannot overturn the working practices of a well-established marketplace alone. The initial value of our new focus will be measured by our viewers’ response.

The ultimate measure of success will be if we can persuade our broadcast competitors of the merits of our actions, and thereby encourage market-wide change which categorically reaffirms TV’s pre-eminent communication values and its

appropriateness to the demands of the 21st century audience. We cannot expect all broadcasters to agree with our plans nor follow our lead. However we remain committed to a programme of change to enhance our services. In a consumer-driven world it is imperative that we respond to the changing demands of our customers if our business is to survive and thrive.

Television is a fantastic product – but so too were sailing ships, and where are they today? ■

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