

## Innovation as the Key for the Future of Public Service Media

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**Abstract.** The Internet has modified the way we use the media and the needs of society, which has obliged public media to expand the development of their mission with new and improved digital and online services. The EU28 state public media are devoting part of their efforts –particularly regarding to the economic part- to innovation and development actions in order to reinforce their position in an increasingly competitive market. This research presents an assessment of the progress in innovation of these corporations until mid-2015, giving particular emphasis to web platforms, apps, smart TV and laboratory of ideas. The methodology to undertake such study is based on the analysis of the departments and reports on innovation and development of every European state public media.

**Keywords:** Public Service Media, Innovation, Public Service, Digitization, apps, smart TV, web platform, Media Labs.

### 1 Introduction

As a result of the innovation process in the media scene, the role of public service media (PSM) is being challenged, notably in relation to their scope for action in a new scenario marked by new distribution platforms such as the Internet and mobile platforms.

New services are seen as the natural development of their content offer and, consequently, as the essential funding sources, those that allow them to guarantee their business viability within an increasingly fragmented and competitive space. Once again, commercial companies do not want to compete with public service media since both of them fight for their audiences.

PSM argue that the values and objectives linked to their services have acquired a more relevant dimension in the digital scenario, with the objectives of ensuring the editorial independence against economic and industrial concentration and giving the public a diversified offer as an alternative to the homogenization of programming schedules. Likewise, public service media may also take advantage of the new framework to set high quality standards for the production of content, to defend the status quo of journalism rules, and to ensure the maintenance of pluralism and social

representativeness, which are not automatically achieved only by making an abundant supply. In fact, the new possibilities offered by digital technologies involve, together with the synergies generated by a distribution platform, are seen as an opportunity to establish a better public service and to better carry out their duties (Suarez Candel, 2010).

Against this background, and with the intention of justifying the way in which a specific offer content or service meets the goals included in the definition of public service media, it came on the scene the public value assessment of content supply, in order to analyse whether or not it should be included. Also, evaluation of concepts such as proportionality, funding and impact on the market are also becoming important. These keys helped to start processes of redefining public service media in Europe and implementing public value tests.

In addition to redefining their commitments, the emergence of a cross-platform media environment, together with the extension of their activities, forced public operators to adapt their internal structure and operational logics. With regard to the organization, the great challenge is to evolve from a production's vertical structure towards a space in which content and services must be delivered in a wide range of media and platforms (Lowe, 2009).

As a result, content and services should be designed and produced considering the potential of cross-media strategies and cross-platform synergies. This evolution requires a change in professional routines and an adaptation of production procedures. Also, the management culture should also be modified in order to take full advantage of structural changes.

## **2 Innovation and Public Service**

Managers of Public Service Media should be aware of the ongoing transformation processes and all the implications for their performance. Also, a multi-platform and cross-media structures should be focused on providing the public with the tools they need and the interaction with political and market players should lead to new attempts, initiatives, and action plans (Nissen, 2006).

Commercial media companies want public service media to be subjected to heavy restrictions to restrict their participation in digital activities. Nevertheless, state and supranational policies consider that PSM have the right to present on all the available platforms, since that ensures their universality and the achievement of their public service mission. In this regard, innovation remains the best option to preserve these media.

If public service media are not able to adapt themselves to the evolution of the needs and requests of their public, they will lose their social support and, consequently, their legitimacy as public services (Nissen, 2006; Trapper, 2008).

The discussion on adaptation of PSM to the new media scene differs from country to country, and the level of conflict of each case depends on different variables (Suárez Candel, 2012):

- Legal and social status and relevance of public service institutions.
- Size, weight and relevance of PSM operators and their activities within the national market.
- Level of multiplatform expansion of public service operators as compared to commercial players.
- Size and capacity to influence of commercial lobbies.
- Conjuncture of the national market.
- Legal tradition and level of detail of media regulations.
- Institutionalization and development of media accountability.

A discussion on how innovation should be included and performed on PSM, we should take into account the recommendations drafted by the European Commission in its communications on the application of state aid rules to public broadcasters (2001, 2009). According to the EC, four criteria are to be considering when assessing public service media activities:

1. A clear definition of public service, including the kind of services that it should provide.
2. The role of public service operator should be explicitly attributed to a media institution.
3. Public service funding should be proportional to the activities carried out, which need to be clearly related to the defined remit.
4. Regular and efficient monitoring of public service should be implemented.

As a result of these recommendations, many countries such as the United Kingdom, Germany, the Netherlands, Denmark, Sweden, Norway and the Flanders region (Belgium), have addressed the public value tests. Commercial operators argue that accountability operators ex and post will best serve the promotion of innovation, one of the main goals conferred to PSM. In any case, public media should not apply the same criteria, since they are not only focused on a market-based approach. If public and commercial media do not have the same objectives, assessment methodologies must rest on different benchmarks or indicators.

Moreover, if accountability requirements for public media are too restrictive, then PSM will invest greater effort in meeting the need of authorities rather than responding to citizens' demands. However, it should be analysed if these tests have a positive impact on the provision of public service. In fact, PSM can develop a tool for improving the quality and adequacy of their contents and services (Jacubowicz, 2007).

In 2014, The European Broadcasting Union published the report *PSM Values Review*, a tool composed by six elements of the mission of public service media in the new digital context: universality, independence, accountability, excellence, diversity and innovation.

In terms of planning and developing innovation, the EBU challenges public service media to ask themselves the following questions: How do you define innovation? What does your mandate/legislation say? How do you evaluate your performance? How do you communicate your performance? What are your best practices and longer-term goals? What do you do to distinguish yourself from your competitors?

### 3 Research objectives and methodology

This research aims to analyze the level of innovation of the EU28 state public corporations, since it is considered as the key element for the renovation and adaptation process in the digital scenario, in which PSM are required to defend their legitimacy as public operators, a remote mission from their main competitors.

The method employed to know research, development, and innovation initiatives of these media is the content analysis of PSM reports and publications with regard to this issue. Each and every one new product, system and mechanism has been individually assessed.

The present study was carried out in the first half of 2015, and the results were lastly revised in that summer.

### 4 Results and discussion

The present study on innovation in PSM of the European Union again shows that, at the European level, there are two levels of technological development. There are clear differences between corporations of the so-called leading European states and those Member States that recently joined the Union.

In any case, as it usually happens, it also identifies common innovations in distribution of products and audiovisual services, as shown in Table 1.

**Table 1.** Common innovations of European public media (2015)

<b>INNOVATION: COMMON SERVICES</b>
1. Web platform
2. Live contents
3. Use of some social networks
4. Mobile platforms
5. Customization

Source: prepared by the authors

All the corporations analysed, with the exception of Bulgaria, Croatia, Slovakia, Greece and Hungary, launched web platforms, be it through their own websites or another online addresses. PSM use these services to publish all their contents, and broadcast live, streaming, or podcast. The differences are mainly in the typology of platform, with different design and operability ranges.

From the social TV point of view, all of them have profiles on social networks, being Facebook, Twitter and Google+ the analysed in this report. All this data on technological improvements related to distribution of contents can be consulted on their corporate website.

Finally, the customization of contents has a twofold benefit. On the one hand, this makes it easy for users to access to products in which they are interested. The process is simple: you open an account on the website or platform, indicate your preferences and start enjoying contents and services. In return, PSM receive useful information on

audience's interests. Hence, PSM use these data for their market studies that result in the creation of products. This system makes possible for PSM to have live information on their different audiences, without waiting for the next day's audience data.

Besides digital common advances, each corporation is taking their main steps on the innovation and creativity scenario. They have the will to differentiate themselves from competitors and to guarantee their role of public service in an increasingly fragmented and competitive world. The table below compares the most significant differences between operators.

**Table 2.** Differences in innovation services of European public media (2015)

<b>INNOVATION: DIFFERENCES BETWEEN PSM</b>	
<b>Content</b>	<b>Distribution</b>
• Radio broadcasts with image	• Smart TV (HbbTV)
• Lab of ideas an multimedia centre	• Red button
• Tools for testing products	• Second screen
• Collaborative projects between countries	• Smart consoles, glasses and watches

Source: prepared by the authors.

From the content perspective, there are four main lines:

1. *Radio broadcasts with image:* Some of the PSM with public radio services are working to include improvements and to increase their attractiveness to young audiences, far away from traditional media. This is why the ORF from Austria and the RTÉ from Ireland explicitly include the intention of incorporating video an image in radio services.
2. *Lab of ideas, think tanks, and multimedia centres:* A great number of public media are implementing labs of ideas or innovation labs, that is to say, departments responsible for creating new products and services on the basis of audience needs. Also known as multimedia centres, these divisions are mainly focused on the creation of audiovisual contents without forgetting the area of distribution. Corporations that report on their labs of ideas are: RTBF and VRT from Belgium, RTVSLO from Slovenia, RTVE from Spain, ERR from Estonia, FT from France and CT from Czech Republic. The BBC from the United Kingdom is also working on this system, as explained below.
3. *Tools for testing products:* The BBC launched Taster, a mechanism to involve audiences in the assessment of new products and services before their broadcasting. Collaboration of the public is requested, and then there is a selection of people capable of making assessments. This is a pioneering initiative between European PSM, and it is based on collective intelligence, on paying attention to audience, the future consumer of new products.

It is intrinsically linked to customization. The digital setting walks towards a fragmentation and diversification of public, who will increasingly access the contents through multiplatform and mobile

devices. In this sense, knowing beforehand whether a product is going to work or not how it will turn out becomes an advantage from an economic and productive point of view.

4. *Collaborative projects between countries*: Public media from Greece and Lithuania include two collaborative projects in their innovation strategies. The first one is based on sharing digital contents with Greece related to relationships between these two areas; the second project consists of disseminating through new technologies all the audio files about the relation of Lithuania and the European Union. In this context, the RTÉ from Ireland also has a commitment for the internationalization with the launch of a premium services to provide visibility of their contents abroad. From the innovation perspective, there are ambitious projects, but they are included in innovation reports since their essence, based on collaboration between countries or with the European Union, are likely to be important creative aspects for European PSM.

From the distribution perspective, there are four identified work lines:

1. *Smart TV (HbbTV)*: A large part of the EU28 public service media presents smart TV projects, developed through the international standard HbbTV, which allows the TV consumption of products and services and at the same time offers additional information. PSM that report on this issue are ZDF from Germany, ORF from Austria and RTVE from Spain.
2. *Red button*: PSM from Spain, Ireland, the Netherlands, Poland, United Kingdom, and Czech Republic dedicate a considerable part of their efforts on innovation to improve the red button of the remote control. Through this service, they offer complementary services to improve users' experience, with live videos, information, pictures, and even music related to the program they are watching.
3. *Second screen*: Apart from the red button, some of the analysed corporations complement their products through second screen services, that is to say, through the connection between television devices and another device (mobile phone and tablet, for example). The RTP from Portugal is the most active in this regard.
4. *Smart consoles, glasses and watches*: Some PSM, such as the RTBF from Belgium, is experimenting with the launching of products and services to be consumed in smart consoles, glasses, and watches.

Also, there is a third point that affects both contents and distribution:

1. *Redeployment of staff*. The adaptation to the digital setting entails the reorganization of staff from public service media and, consequently, the creation of new departments and divisions that, in turn, should have heads to lead projects. That is why in recent years it is taking place a massive increase of senior appointments to drive the ships of digital innovation. This issue is the cornerstone of technological and digital development of corporations. The Irish RTÉ and the English BBC do not forget this aspect, since they are the most aware of the need to have people trained for driving

innovation processes, creating synergies and enhancing competitive differentiation.

## 5 Conclusion

Nothing will ever be the same again. Traditional broadcasting, as we know it, will continue opening the way to new strategies based on connected TV and second screen, with content broadcasting that will be increasingly complemented by additional services.

1. *Web platform.* Every corporation needs to launch an online platform dedicated exclusively to the provision of live streaming and podcast radio and television content. It is a service that is run separately from the website, whose function is to be a container of news, programming, video and audio services, and corporate information. It should be highlighted the model of BBC iPlayer, an online platform on which the British corporation provides all their video and audio contents and allows users to register, create communities and deepen the customization. The platform interface is characterized by the presentation of videos relating to channels.

2. *Mobile Apps.* Besides corporate platforms for Android and iOS, provision should be made for the possibility of developing free apps targeted at various audiences and specialized in different subjects, from the weather information up to games, as some public media are testing. These services with reduced production costs make the difference for the audience.

3. *Customization.* The possibility of registration on the PSM websites is extremely to access customized services. The creation of personal spaces should be linked to a platform on which users report their interests. Also, PSM should guarantee the opportunity to send comments, share and recommend contents, and encourage the creation of communities related to their products and services.

4. *Radio innovation.* Corporations should study the opportunities for R&D on the radio. That requires an analysis of the projects developed by European corporations, as the Belgian VRT and the Irish RTÉ, with the digital broadcasting of radio programs with image.

5. *Think Tanks or Innovation Labs.* It is important to strengthen the functions of the labs, the germ of truly innovative projects, which place public companies in a strong position compared to their competitors. Further work is needed in this area, as well as in interactive applications for the second screen and the red button service.

6. *Tools for testing products.* It is suitable to analyse the option to test the widespread use of audience test for all kind of new products. In recent years, the BBC has successfully developed its *Taster tool*.

7. *Smart TV.* To enhance the potential of the international standard HbbTV. Audiences are increasingly demanding and want more and better services. Connected TV is the present, so PSM should make special efforts on this issue.

8. *Multi-device reception.* Audiences want to consume products and services of radio and television in other kind of devices different from computers, mobile phones and

tablets. We refer to glasses, watches and consoles. There is not, for now, a widespread trend, but it should be considered due to the fleeting technological developments in recent years.

9. *Social networks*. It will be positive to progress on the creation of attractive and dynamic content for social networks. There is a need to develop social media guidelines to advise professionals on the use of social networks, to provide guidance on language and writing publications, interaction, generation of media discussion, participation, feedback control, advertising and legal issues.

10. *Reorganization of staff*. If PSM want innovation to be successful and fruitful, they need to adapt and train their workers. For this it is essential to develop training programs aimed at certain departments, and to create areas exclusively dedicated to design, develop and test ideas. This shall entail the creation of new departments and leadership roles.

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