

**EBU**

OPERATING EUROVISION AND EURORADIO

VIEWPOINT  
**MEDIA  
CONVERGENCE**

REAPING THE BENEFITS

September 2014

# THE ISSUE

Smart TVs, set-top boxes, tablets and games consoles that offer hybrid broadcast and broadband experiences are now mainstream products. In addition to live TV programmes, viewers can enjoy content delivered from the internet to their first or second screens, with access to social networks, real-time viewing recommendations, on-demand services, personalized news, and much more.

As broadcasting merges with the internet, new opportunities for content arise and audiences are given greater choice, a broader range of content and more interactivity, anytime, anywhere.

The EBU has played a leading role in developing interoperable technical standards for hybrid TV services (HbbTV, YouView, MHEG-5, and MHP), along with RadioDNS for hybrid radio. Public Service Media (PSM) are frontrunners when it comes to producing and disseminating high-quality news, documentaries, fiction and sports coverage. To meet society's democratic, cultural and social needs, PSM programmes must be easy to access on all platforms, networks and devices.

Europe's strong regulatory framework recognizes the crucial contribution audiovisual media makes to informed citizenship, cultural diversity and the public sphere, and it supports a thriving and diverse audiovisual media landscape.

Today, the policy objectives and guiding principles of media regulation in Europe are still as important as ever. Yet accelerated media convergence calls for a thorough examination of how to pursue public interest objectives in the medium-term future. This requires a proper understanding of the multi-platform environment and the role of digital intermediaries, such as content aggregators, online distributors, audiovisual platform operators, search engines and social media.

In contrast to European audiovisual media providers, these intermediaries often operate in an unregulated environment, even though they offer European audiences a platform to access audiovisual works. So it is necessary to strike a fair balance and ensure that accessing content of public value is not impeded by powerful global players outside the EU.

Today's viewers have an unprecedented level of choice and quality at their disposal. Never before have so many great movies, series, documentaries, current affairs programmes, entertainment shows and cultural events been produced. Never before have viewers enjoyed such a wide array of devices and services on which to watch their favourite programmes.

As a driving force of innovation in the industry and in digital development in Europe as a whole, public service media play a central role in producing the high-quality content and services that provide so many opportunities in today's exciting media environment.

Alongside all these opportunities, media convergence is sparking off a broad and complex policy debate about the rapidly changing audiovisual environment. More content – anytime and anywhere – does not necessarily mean better content and better informed citizens.

We have a crucial contribution to make to this debate. We must examine the impact media convergence could have on the citizens, on access to content of public value and on investment in European content. We want to ensure that our programmes and news remain easily found and accessed, delivered in an open and affordable way for all, and that our investment in new content continues to shape Europe's public sphere.



Ingrid Deltenre  
EBU Director General

# KEY PRINCIPLES

The EBU and its Members – the public service media (PSM) of Europe – are committed to providing audiences with content of public value and delivering the benefits of convergence across all platforms.

Audiovisual media convergence is advancing rapidly, and is likely to accelerate. We therefore welcome the current debate on the regulatory implications of media convergence and its impact on society at large.

We believe in five key principles for fostering informed citizenship and social cohesion, described in detail in this Viewpoint.

## SUSTAIN INVESTMENT IN ORIGINAL EUROPEAN WORKS

Content remains king. Producing high-quality programmes and delivering them to audiences will always require a high level of investment. Public service media in particular play a vital role as investors in content in Europe.

## SUPPORT PLURALISM WITH SPECIFIC RULES FOR AUDIOVISUAL MEDIA

Audiovisual media need a specific regulatory framework because of their impact on public opinion and culture within a democratic society. Existing principles are well suited to this purpose but may need to be adapted to take account of new players and ensure media pluralism.

## GIVE PROMINENCE TO CONTENT OF PUBLIC VALUE

Public service media provide audiences with vital opinion-forming news, current affairs, documentaries and high-quality entertainment. Channels that provide content of public value must remain easily accessible in a converging media environment.

## EXPLOIT OPEN INTERNET AND FREE-TO-AIR BROADCAST SYNERGIES

Audiovisual media convergence brings households the best of both worlds. One-to-many broadcasting and one-to-one internet are complementary services and combine to offer a unique audience experience.

## PRESERVE CONTENT AND SIGNAL INTEGRITY

Content developed by broadcasters must be the same as the original at all points of access. Digital intermediaries must not be allowed to alter or exploit content unless authorized by the media service providers.

# SUSTAIN INVESTMENT IN ORIGINAL EUROPEAN WORKS

**We believe that continued investment in quality content remains the key driver for technological innovation and the development of new services. Sustained investment streams for original audiovisual works should be the basis for any future public policy approach to convergence.**

Sustained investment in audiovisual content gives a variety of players the ability to produce and deliver high-quality programmes. Financing for films, TV series, live events, documentaries and news in Europe is underpinned by specific regulations that recognize that audiovisual works and services are not simple commodities. These regulations express particular values, viewpoints and meanings, contributing to social cohesion, cultural diversity, informed citizenship and democracy.

The European dual system of public and private broadcasting has successfully contributed to a thriving audiovisual industry with a healthy diversification of productions that cater to varied audience interests and offer a plurality of views in news and current affairs. Specific policies, at national and EU level, support investment in the audiovisual media industry and allow it to flourish.

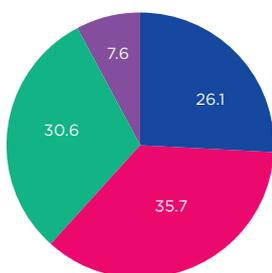
Public service media play an essential role in creating and distributing diverse European content owing to their commitment to investing in quality original programmes. They nurture creative talent and develop innovative ways to deliver new content to the public on TV, radio and the internet.

## PSM contribute to the EU's audiovisual value chain by major investment in content

- PSM invest more in quality original content than any other audiovisual service providers. In the big-5 markets (France, Germany, Italy, Spain and the UK), 71% of the PSM programming budget is invested in original content.
- PSM programming comprises an average of around 65% of self-produced or commissioned audiovisual content. Several PSM channels devote as much as 90% of their airtime to nationally or EU produced content.
- Currently, 37% of total fiction scheduled (feature films, TV films, short films, series, and animation) on all European TV channels is produced in Europe. This rises to more than 60% when considering PSM alone.

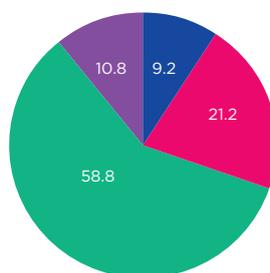
## ORIGIN OF FICTION WORKS PROGRAMMED (2011)

Public service channels (in %)



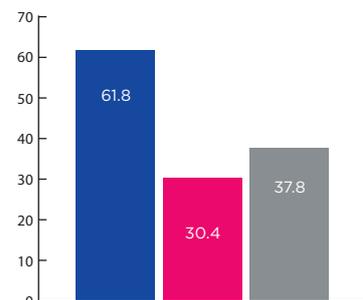
■ National  
■ Europe (non national)  
■ United States  
■ Other (non Europe)

Commercial channels (in %)



■ National  
■ Europe (non national)  
■ United States  
■ Other (non Europe)

National and European works as % of total fiction offered



■ Public service channels  
■ Commercial channels  
■ European Average

Source: EBU based on European Audiovisual Observatory's data

# SUPPORT PLURALISM WITH SPECIFIC RULES FOR AUDIOVISUAL MEDIA

**The primary goals of existing audiovisual legislation are just as relevant to media convergence. National and European regulations ensure that the media fulfil their democratic remit and support media pluralism, promote cultural diversity and protect consumers and vulnerable groups. But the converged environment also means that global digital intermediaries are not bound by European regulations.**

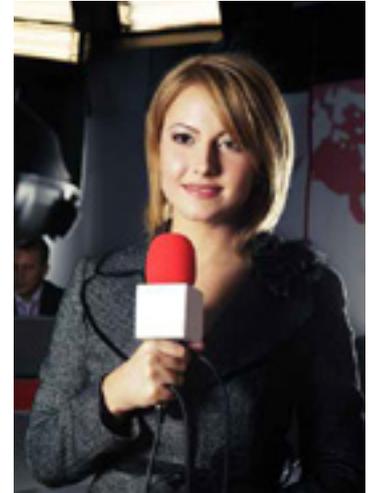
'Regulated' and 'unregulated' services – services that are covered by Audiovisual Media Services Directive and those that are not – are available to the public on the same devices and platforms, in direct competition with each other.

Media convergence places players not subject to EU audiovisual media rules (such as internet service providers, device manufacturers or online platform operators) in a key position where they can control the public's access to audiovisual

media services. These digital intermediaries may, for example, attach conditions to accessing content and services, thereby jeopardizing access in both directions, from the user to the content provider and vice versa.

We strongly believe in content distribution models that enable as many citizens as possible to access a plurality of media content, in an environment of full transparency from audiovisual platform operators with regard to how access to content is provided. This is essential for public freedom of expression and information.

In this respect, public policy needs to safeguard transparency and provide regulatory authorities with effective powers to counter platform practices that are a threat to plurality. Similarly, universal and transparent access to networks, devices and other platforms must be guaranteed.



A specific European and national audiovisual regulatory framework underpins a diverse, informative and pluralistic media landscape.

# GIVING PROMINENCE TO PUBLIC VALUE

**Public service media programmes meet democratic, cultural and social needs, sustaining informed citizenship and fostering a better understanding of the world. If they cannot be easily accessed in the myriad of content available online and on TV, these needs cannot be met.**

Prominence rules ensure citizens can easily access media services of public value. Currently, visibility is guaranteed through 'prominence' or 'must-be-found' rules, and availability through 'must-carry' rules.

However, the increasingly important role of digital intermediaries in selecting and guiding users towards content and information by the way they design their platforms may affect how viewers find public service programmes. The challenge with convergence is that existing prominence rules could fail to meet the public policy objectives for which they were designed. New regulatory solutions need to be considered.

Member States need to maintain the freedom to apply must-carry rules, whenever appropriate, to specialized distribution services such as cable TV and IPTV networks.



Only a limited number of offers can be displayed on a hybrid TV screen. It is crucial for PSM services to appear prominently so that users can access content of public value.

# EXPLOIT OPEN INTERNET AND FREE-TO-AIR BROADCAST SYNERGIES

**Broadcast and broadband technologies each offer specific and complementary characteristics. One provides efficient, universal, free-to-air broadcasts; the other a flexible, individual service. Exploiting synergies between the two with interoperable devices gives audiences an optimal experience.**

Broadcast and broadband are complementary in that broadcast networks are optimized to deliver linear content over a large coverage area to a mass audience, while broadband networks are best suited to deliver non-linear content to small markets.

Digital terrestrial television (DTT) broadcasting in particular will continue to play a crucial role for European citizens because it delivers universal, free-to-air access to a wide range of channels, significantly contributing to competition and user choice.

In parallel, the interactive services and additional content available on smart TVs and other connected devices are likely to be distributed over the internet. The net neutrality principle is therefore a crucial means of safeguarding the openness and non-discriminatory features of the internet.

Currently, DTT is the most widely available platform in Europe, penetrating 56,5% of TV households in the EU, ahead of satellite (36,5%), cable (27,2%) and IPTV (12,5%).

In several EU countries, DTT is the platform that provides most free-to-air services, in contrast with satellite, cable and IPTV platforms that offer limited free-to-air services.

# PRESERVE CONTENT AND SIGNAL INTEGRITY

**Content delivered to the end-user must be identical to that made available under the provider's editorial responsibility. No intermediary or third party should be allowed to interfere with the quality, format or display of the content or signal without prior authorization from the media service provider. Other screen overlays should be subject to user consent.**

The use of screen overlays can significantly enhance the viewer experience by giving seamless same-screen access to additional content, websites, social networks, or e-mails. These overlays support the trend towards a more personalized use of media devices – as long as the viewer has control over their use.

However, it is of major concern that intermediaries may, in certain instances, subject broadcasters'

audiences to unwarranted screen overlays, in particular for advertising. In the future, more techniques may be developed to divert broadcaster audiences towards the commercial interests of third-parties.

Such practices can destabilize the audiovisual value chain to the detriment of broadcasters and producers, as well as users. They undermine the value of the broadcaster's investment and weaken the revenue stream that funds the production of original programming.

Broadcasters and other media need to retain editorial responsibility over their content, and it should not be transferred to, or shared with, digital intermediaries. The credibility and reputation of the media service provider, the trust that individual users place in particular media services, and ultimately freedom of information are at stake.



Viewing figures of over 20 million are common in EU countries for events of major importance for society like the FIFA™ World Cup. These special moments bring people together.

# ABOUT THE EBU

The European Broadcasting Union is the world's foremost alliance of public service media (PSM) with 73 Active Members in 56 countries and 36 Associate Members in 21 countries, including in Asia, Africa and the Americas.

Its mission is to make PSM indispensable: to be the authoritative voice supporting PSM, the provider of first-class services and the point of reference for industry expertise, innovation, and European media knowledge and exchange.

The EBU operates EUROVISION and EURORADIO. EUROVISION is the media industry's premier distributor and producer of top-quality live news, sport, entertainment, culture and music content. EURORADIO enhances public service radio through the exchange of music, professional networking, and the promotion of digital and hybrid radio.

At its heart is a 370-strong network of staff that extends from its headquarters in Geneva to Brussels, Rome, Moscow, New York, Washington DC, Miami, Singapore, Beijing, and Sao Paulo.

## DID YOU KNOW?

Broadcast and broadband synergies are also possible in the field of radio, combining cost-effective distribution of live radio via broadcast and personalized services over the internet.

The EBU's **Smart Radio Initiative** promotes the availability of digital and analogue radio reception on internet-connected devices such as smartphones and tablets for personalized, innovative and easy-to-use radio services.

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