

# Network Business Models and Strategies: The Role of Public Service Broadcasting

**Fritz Pleitgen**

*Westdeutscher Rundfunk Köln*

Samuel Goldwyn, the film producer, once said, “It’s always difficult to make forecasts—especially about the future.” Keeping his warning in mind, this chapter, nevertheless, attempts to look into the future.

A recent publicly discussed design for the future of the media can be found in the Bertelsmann Foundation’s “Communications Order 2010.” In this document, experts paint a pessimistic economic picture of the future, the “Narrowband Scenario.” It is believed that the very high investment required has resulted in a hesitation in the development of the digital market. It is now up to the comprehensive program channels and the mass media. The optimistic “Broadband Scenario,” on the other hand, assumes affordable prices for the use of the new media. The anticipated result is that in several years an interactive broadband device will take the role of today’s television for domestic multimedia use. In addition, intelligent agents will presumably preselect and arrange a variety of content, according to individual consumer preferences, from a literally endless choice of offers. The role of broadcasting corporations would therefore be one of “content providers” among a multitude of others. Whereas one of these scenarios could be reassuring, the other should encourage working even more for the future.

In any case, it is difficult to understand or subscribe to forecasts that foresee the end of broadcasting. Available data suggests that broadcasters will become agnostic about delivery technologies. Broadcasting and the Internet will be complementary rather than the latter leading to the detriment of the former. The extent to which viewers may want to use interactive facilities on their television screens may depend on their age and upbringing. However, even then, the television screen will not be used as a working tool. It is a device used in the home. By design and function it is intended to be part of the overall information and entertainment sphere that forms an integral part of private life, separate from public or working life. So far, only a few people want to surf the Internet on their TV screens. Interactive television offerings that add value to the services already expected from television are likely to be most successful.

There is a frequently posed question about the role of public broadcasting corporations in the 21st century. A story by Jorge Luis Borges, written at the beginning of the 1940s, provides some insight. The well-known Latin American author described the "Library of Babel." It is the ultimate library. Any book in any language is to be found in the countless bookshelves of the library; the library contains the collected knowledge of the present, the future, and the past. The librarians are infinitely proud of this universe of knowledge, which will answer all questions. But this only lasts until they discover the true character of the Library of Babel. The endless rows of books not only contain all the truths of the world, but also all the lies. For each claim, there are a thousand counterclaims and, even worse, what people are really looking for will never be found in the endless labyrinth of rooms, corridors, and shelves. The knowledge of the Library of Babel is virtual knowledge. It is impossible to get to the bottom of things, and the librarians are in deep despair about this realization.

The apparent promise of the Library of Babel—namely, to be able to answer all questions—is also reflected in today's cure for all ills, the "information society": This is a medial democracy where anyone should be able to have all relevant information at any time. Information is not knowledge. Information is only virtual knowledge. Information may generate knowledge, it can contribute to understanding, it can guide action, but only if one has free access to it, and especially, if one knows how to use it. For now, the human being in the digital world is an actor—less knowing, rather searching.

The mission of public broadcasting corporations in the digital age has not become obsolete, quite the contrary. In order to escape from this Babylonian aberration, the public broadcasting system, with its mission, would need to be invented if it had not already existed for many years. Public service broadcasters have an obligation to provide their audiences with a broad range of programs that suit the needs and expectations of the entire population, young and old, highly educated and less educated, fully active

and disabled. There must be a broad and democratic dialogue between all members of society whether they belong to statistic majorities or minorities. Thus programs, or “content” as it may be called in the multimedia future, must be relevant. They need to reach civil society at large to make a difference. Because the way in which content is provided to the public changes, it must be changed in order to continue to fulfil this mission.

In the digital age, public service broadcasting holds the potential to become the communication platform for all. It cannot be manipulated as credibility is its success factor and independence is a precondition for credibility. Perception and awareness are basic preconditions for fulfilling this important mission. Thoroughly and self-critically, there has been much reflection on the nature of these basic preconditions:

- Do public broadcasters cannibalize themselves if they become too active on the Internet?
- Will Coca-Cola, IBM, and Comdirect become more important for public broadcasters as competitors than the old rivals?
- As an old medium, are public broadcasters in danger of being devoured by the new medium, even if they are not listed on the stock markets?
- Will public broadcasters enter into a spiral of permanent underfinancing because all their competitors are able to finance themselves and their services by e-commerce revenues, whereas they must forego classic offers for every effort on the web? Is the Internet thus devouring its public broadcasting children?
- As a content supplier, public broadcasters have the Internet’s most valuable substance. Again and again, cooperation offers are made. What do responsible cooperations of the future look like?

There is hope for a renaissance of public service broadcasting, in times of an exploding and complex media range.

So, what is next? Certainly, whatever is done in the future, in keeping with past and present times, must correspond with the public service focus. Quality content that is relevant to society at large needs to reach audiences everywhere on any device, be it a stationary or portable television, computer, digital radio, or telephone.

Apocalyptic theses have accompanied the introduction of all new media since the introduction of writing. The Internet does not drive people away from television screens. On the contrary, in households with Internet access facilities, those networks that are strong on the Internet are also those tuned in more regularly on television and radio. At least that is the experience of ABC and NBC. This year’s (2000) ARD/ZDF Online Study has also shown no overall decline in television use for Germany, from 1997 to 2000, although the use of the Internet is increasing.

As a public service broadcasting corporation, this convergence must be approached from two sides: the side of digitization and the side of the Internet. With public broadcasters' knowledge of technological developments and in fulfilment of their mission through the digitization of TV and radio programs, they are strategically placed at several levels.

Public broadcasters have been broadcasting their own digital ARD package on satellite, "ARD digital," since 1998. The electronic program guide (EPG) was the first feature to integrate text and audiovisual content on the same screen. Previously, the worlds of television programs and videotext were totally separate features watched alternatively on the television screen. With the next step, setting up the multimedia home platform vested with back channel opportunities, this interactive tool comes ever closer to its role as an orientation navigator.

Of course, this is only the beginning. The personal TV, technology such as TiVi Anytime, and other time shifting systems have the potential to completely personalize television schedules. This, in turn, will challenge the program scheduling policies of all broadcasters. Already today, some limited interactive services are offered as part of the digital package, and these possibilities will dramatically increase once broadband television networks have been digitized and upgraded with back channels.

The Internet is the natural and ideal partner of public service broadcasting. On radio and television, it already provides detailed reports, but the Internet will enable coverage of almost any aspect and interrelated dimension of a subject.

Through their various Web sites, the 10 regional independent ARD broadcasting organizations offer a multitude of content. Currently, they are in the process of interrelating their web activities. Thematic portals will be created offering services to the user and simplifying orientation on the web. A news portal will be started under the domain tagesschau.de. In addition, there are offerings from the areas of service, education, sport, and so on.

At WDR, online services have emerged as considerable content providers alongside television and radio. There has been implemented a portal here too, intended for the people of North Rhine-Westphalia. In the future, public service broadcasting corporations' online offers will not be separate from their traditional broadcast services. They will instead form an integral part of a program strategy providing quick updates on news and stock market headlines, sports scores, and the like during and in between regular programs.

No other mass medium mixes information, entertainment, and commercial advertising as consistently as the Internet. This is due to the genesis of this medium. From the very beginning, free content offers on the Internet were made possible only through advertising links. This interconnection is a major opportunity for public service broadcasting. These broadcasters do not want to empower the Internet user for the marketing

or sale of specific products. They want to make users the sovereign users of the new medium.

In all suppositions made about users, their convenience, and their supposed use of their time budget, the *joie de vivre* and social life cannot be replaced by technical applications—no matter how clever.