

## Chapter Twelve

# Financing public media: The future of collective funding

Robert G. Picard

---

### Introduction

**T**he basic mission of public service broadcasters (PSBs) is to serve the cultural, social, and political needs of their audiences, to provide a common universal service that helps foster national identity, and to create the means for the aspirations and concerns of citizens to be conveyed and acted upon in society. Public service broadcasters carry out that mission as general communication providers that convey broad entertainment, public affairs, and cultural offerings and also by serving as specialised communicators serving interests of relevant subcultures. All operate domestically but some also broadcast internationally via terrestrial and other forms of distribution.

Today PSBs are navigating the complex waters of communication activities, making investments in and operating digital and interactive television, online services, mobile communications, magazines and periodicals, digital radio, and audio and video recordings. Many of the developing new media activities – particularly those based on interactivity – serve needs of individual members of the public rather than needs of aggregate groups.

*Abstract:* Public service broadcasting funding is undergoing significant change and broadcasters as a whole are increasingly less reliant upon public funds and more dependent upon non-public sources of revenues. The growing dependence of firms on commercial and other funding sources accompanies an increasing range of activities that requires strong and transparent strategies and clarity about how the activities fit into the missions of the organizations. The new initiatives and funding sources, particularly those involving advertising and consumer payments, will increasingly change the revenue base of broadcasters and produce more conflicts with commercial media enterprises. Over time, this will enlarge discussion about the role and continuation of collective public funding, will require public service broadcasters to increase attention to their relationships with audiences as consumers, and will increase the need to promote political will and support for continued public funds.

Like all enterprises, public service broadcasters require income in order to provide their services. Initial decisions on establish public broadcasting and choices of how to providing funding were made in widely differing settings at different points in the twentieth century, so no single funding pattern exists. Some public broadcasting was established early in the century as radio emerged, some following the Second World War, some as modern democratic rule was established in Southern European nations such as Greece, Portugal and Spain in the 1970s and some as the result of the democratization in Central and Eastern Europe at the end of the century. Public service broadcasters established early in the century were founded in an environment in which governments monopolised the audio broadcasting space and those introduced late in the century were launched in an environment in which coexistence of public service and commercial broadcasting were common across Europe.

The political and economic settings of the times in which different public service broadcasting were created varied widely as well. Those started early in the century tended to have been established in industrial economies in which strong labour movements, stark class divisions, and wide differences on social policies among political parties were present. Those instituted late in the century developed in post-industrial and transitional economies in which labour and class divisions played different roles and in which there was greater concurrence among parties on fundamental social policy principles than had existed when broadcasting first emerged. These differences produced differences in policies and funding regarding PSBs.

Radio was the initial form of broadcasting and development of policies and regulatory schemes for radio presented new and unique challenges for governments. Although there were some similarities with communication provided by post, telegraphic, and telephone services, broadcasting was not interpersonal communication, radio spectrum was limited, and policymakers perceived a great ability of radio to influence social movements and governance. Those factors led European nations to establish radio as state operations or, where greater democratization existed, as quasi governmental entities separated from the government. When television broadcasting developed a half century later, governments typically extended and adapted the general regulatory and operational schemes that had established for radio to television broadcasting.

The liberalization of broadcasting policies during the last decades of the twentieth century created commercial competitors to public service broadcasters and the funding of public broadcasters now occurs in a dual system of public service and commercial broadcasting. It also takes place within an environment in which audiences are increasingly making greater payments for a wider array of media and communication products and services.

Differences in funding of public service broadcasters are evident between northern and southern European nations, between nations influenced by Anglo,

Germanic, and Latin cultures, among nations with stronger social welfare orientation and others, and among nations in which public service broadcasters existed from the inception of broadcasting and those in which it developed out of state broadcasting companies. Because of the domestic differences in history, culture, and politics among nations, the funding mechanisms and sources for public service broadcasting vary widely and no ideal form exists because funding must accommodate varying social, cultural, and political realities. Nevertheless, certain funding *principles* are recognized as ideal today. Funding schemes are considered ideal if they include provisions of sufficient resources to allow public service broadcasters to effectively compete with commercial channels, predictable income that permits planning and reinvestment, regular funding increases at or above inflation, and independence from damaging government or commercial pressures (McKinsey & Co., 1999).

Public service broadcasters remain the financially dominant broadcasters in the European Union, accounting for about 56 per cent of the total revenue in the broadcast industry. Public service broadcasters have revenues totaling €29.1 billion whereas commercial broadcasters have revenues totalling €23.2 billion. Public service broadcasters account for about two-thirds of all income received by television broadcasters, but only about a third of that received by radio broadcasters. In recent years revenue growth rates for public service television broadcasters have been much higher than those for commercial broadcasters, but revenues of public service radio broadcasters have lagged behind their commercial counterparts.

### **Forms of financing**

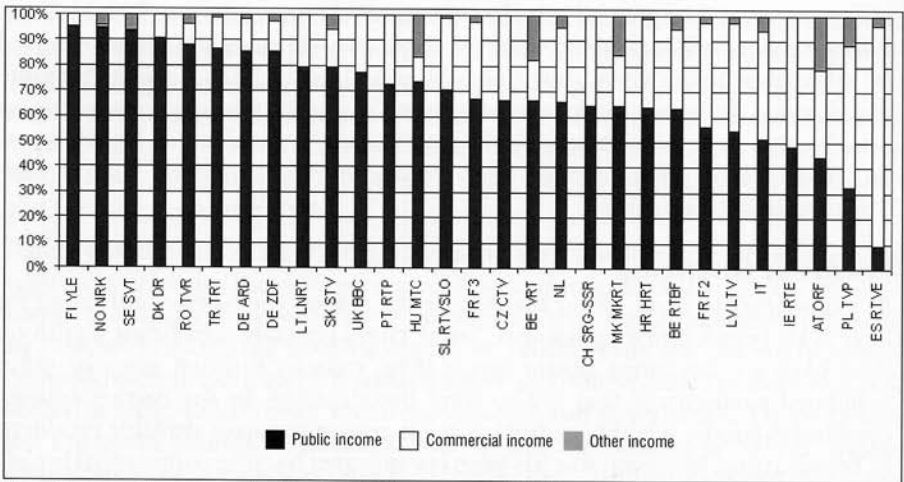
At a fundamental level, either the state or the market must provide funding for large scale broadcasting operations. States rarely generate significant wealth on their own so they must obtain funds from citizens through taxes or other mandated payments if they are to fund broadcasting. In the market system, consumers choose whether or not to pay for consumption of available products. In broadcasting, however, this has been complicated because commercial broadcasting has historically been provided free of charge to audiences – they paid only with their time – whereas monetary funding came from advertisers willing to pay to reach those listeners and viewers (Picard, 2002). Today, both audio and video are increasing available as subscription services in which audiences pay both temporally and monetarily, as are digital on demand and interactive services. This has significant implications to the funding of public service broadcasters.

The mechanisms of public funding for public service broadcasting include compulsory licence fees, general and special tax funds, and state grants of various kinds. Additional funds are generated by some broadcasters through commercial activities ranging from program sales, paid audio and video services, video sales, and less directly related activities such as magazine publishing, concert promo-

tions, and seminars and training. Some public service broadcasters also sell various advertising and sponsorships that raise additional income from the market, and others seek and receive some grants and gifts from non-governmental sources to support their activities.

Today, all public service broadcasters rely on mixed sources of funding, but the degree to which they do so varies. A comparative understanding of the significance of different forms of funding can be seen by conceptualising it in three categories: public (state mandated or provided), commercial, and other. If one considers funding of public service television broadcasters, for example, public funds account for half the income in broadcasters except in Austria, Ireland, Portugal, and Spain and provides more than 90 per cent of the funding in the Nordic countries – Denmark, Finland, Norway, and Sweden (See Figure 1). Commercial income provides more than half the funding in Ireland, Portugal, and Spain, but provides more than a third of the funding for 10 public service broadcasters.

Figure 1. Sources of funding of public service broadcasters



Data Source: European Audiovisual Observatory, 2005.

The sources of funding, of course, affect the degree to which broadcasters are dependent upon the state, the market and its commercial forces, or other providers of funds. This is important because resource dependence affects the competitiveness of firms, their abilities to adapt to changing environments, and their sustainability. In times in which the environment is changing, uncertainty about future developments and the continued availability of critical resources create strategic challenges. This is especially important for PSBs because few environments are changing as rapidly as those in which public service broadcasters operate.

Resource availability is crucial to the success of all industries and dependence

on resources reduces the independence of organisations and the opportunities available to them (Pfeffer and Salancik, 2003). Resource limitations and problems coordinating and managing resources have been shown to be factors in the stagnation and decline of some media firms (Picard, 1996). Good resource management ensures that resource dependency that could limit a firm's activities, growth, or survival is avoided.

Firms can be dependent upon capital sources, revenue sources, and sources of needed supplies. Many public service broadcasters have particularly high dependence on single revenue sources, notably state support or commercial funding. Today, strategically thinking observers perceive an uncertainty of continued public funding despite rhetorical commitments to public service broadcasting. They do so because governments have instituted and the public has supported significant reduction of the public role in telecommunications, post systems, postal banks, airlines and rail systems. In many nations the public is acquiescing to reduced state roles in pensions, health care, and other social welfare systems. It is fanciful to suggest that broadcasting is immune to the financial and political philosophy forces that have produced those outcomes. Further, many parliaments and regulatory agencies have already pressured their PSBs to seek additional revenue from other sources, recognising the inability of governments to fund the growing financial needs of broadcasters.

## Public funding

### *License fees*

Licence fees represent a form of collective broadcasting finance in which audiences fund some or all of the service provided. It is "the traditional means of funding for public service broadcasting, and it is often regarded as the most appropriate source of funding" (European Broadcasting Union, 2000). Licence fees were selected as a means of financing public service broadcasting in many nations because broadcasting was not seen as having the same position as other social services and there was strong support for the idea that users should directly fund broadcast services, especially because universal availability of radio and television was not initially possible in many countries and because the speed of audience acceptance and their acquisition of receivers was unknown. Concurrently, because the potential for broadcasting to be used for manipulation of public opinion was recognized, financing through licence fees was seen in many nations as a means of diminishing the potential for government interference with content if funding came from tax receipts. As a result, licence fees are seen as having three distinct advantages: "First, it assigns the costs for broadcasting directly to its consumers. Second, this tends to create a mutual and reciprocal sense of responsibility between the broadcasters and the audience, which, third, frees the broadcaster from control and influence by governments (as might be



the case where direct government support exists) or advertisers (as might be the case in commercial systems)” (Newcomb, 1997: 956).

A licence fee is an enabling expenditure that allows access to a public good (Fraser, 1996); however, payment does not necessarily translate into high usage in the competitive television and video marketplace. Like spectrum licenses (Bauer, 2003), audience licence fees are sunk costs and thus do not have significant impact on viewing decisions.

In most nations the licence fee was originally a fee paid for permission to receive broadcasts (European Broadcasting Union, 2000). That has changed over time and at the time the BBC broadcasting monopoly was ended, for example, confusion over the nature of the licence fee was clearly evident. One article noted that “nobody is really sure what sort of charge the licence fee represents. Even the Treasury is divided into those who say it is a poll tax and those who say it represents some sort of subscription” (MacCabe & Stewart, 1986: 25). This type of confusion led authorities in many nations to reconsider fees as broadcasting policies and laws were revised. Today, licence fees are regarded as a fee to receive public broadcasting or as a special contribution or tax to support public broadcasting. Because household penetration of television and radio is nearly universal the fees may as easily be cast as a use tax or a form of subscription fee, both of which have significant implications for how the fee is perceived by viewers and listeners (Picard, 2005).

Licence fees have particularly important advantages for broadcasters compared to other forms of funding because they provide “a steady, dependable, and substantial revenue stream” (McKinsey & Co., 1999: 35). This provides predictable funding that assists planning investment in programming and operational improvements. Most nations, however, have never indexed fees for inflation, so they tend not to rise concurrently with operating costs (O’Hagan & Jennings, 2003).

The existence of a licence fee does not in itself guarantee payment of the fee by viewers. Licence fee compliance rates are relatively stable from year to year so budgeted and actual incomes do not vary widely. Non payment is highest in Italy, whereas payment is highest in the Nordic nations (Hibberd, 2004).

Viewer payments for broadcast service have been shown to generally increase the diversity of programmes available to viewers even in commercial settings. Programme diversity tends to be maximised by subscription rather than by advertising-supported television (Doyle, 1998) and viewers are willing to pay for services that provide programming not available on free-to-air channels (Herreor, 2003). Licence fees for public service broadcasting tend to produce similar results as subscriptions for pay television. Subscriptions and licence fees free the channels from the necessity of serving the largest possible audiences in order to attract advertisers and permit them to serve cultural and social interests and smaller audiences that do not interest commercial broadcasters. The licence

fee can thus be seen as a form of subscription that promotes programme diversity, supports national culture and identity, and creates a public commons in which citizens congregate and share experience.

Unfortunately, licence fees alone do not guarantee the widest service of public needs because they tend to support only a limited number of channels. This, of course, was a critical argument that led many nations to establish commercial broadcasting to gain additional service and choice. The result increased diversity of programming and created service to niche audiences but there are limits to those improvements and many believe the expansion of channels has created “ruinous competition” that is now harming diversity and reducing the overall quality of programming available (Van der Wurff et al., 2000).

Commercial broadcasters generally oppose licence fees that support public broadcasting because the fees provide a base of support that creates competitive advantages, especially for those channels that also seek advertising. The challenge to the licence fees was taken up by competition authorities, prompting national governments and the European Union to create a protocol in the Treaty of Amsterdam (1997) to protect licence fees and general state funding for public service broadcasting. A subsequent communication on state aid and public broadcasting (European Commission, 2001) acknowledged broad legitimate remits for PSBs and the protection of their public financing, but it also acknowledged that public financing is a form of prohibited state aid if it is used in activities beyond the domestic remit. The communication permits aid to public service broadcasting if it serves a clearly defined general interest, if there is a clear and specific entrustment (remit) to provide the service, and if its effects are limited to serving those interests. If the public financing is used for purposes that skew competition in commercial activities, however, public service broadcasters are subject to competition law enforcement.

This competition law constraint is particularly important because most PSBs are expanding activities beyond broadcasting and increasingly engaging in activities within fields designed to create new revenue streams through new interactive media. Although some of the PSB activities are clearly commercial and their funding is separate from license fees to meet competition policy requirements, there are growing areas of dispute involving activities in on-demand services, news notification and other mobile services, and online activities that have some relation to the PSB remit but also the potential for producing additional revenue and competition with commercial firms. These are fuelling debates over whether publicly funded broadcasters should operate new media activities that are not directly linked to their broadcast services.

Issues of who controls the licence fees, their collection, equity in collection, and the costs of collection help define the position of licence fees in society and their relationship to public broadcasting. Licence fees are authorised and their prices set by parliaments or a regulatory body. These are typically collected by a

government agency or government-authorized agency. In some nations fees are collected more indirectly with levies added to electrical bills, for example. It is now rare for fees to be directly collected by PSBs or even to clearly state that it produces funds for public service broadcasters.

### *Other public funding*

In contexts where the licence fee is regarded as a nearly universal tax or a tax to support broadcasting, it is easier to view it as just another tax and to alter its collection method. This has led some nations – most recently the Netherlands (Daalmeijer, 2004) – to replace the licence fee with funding created through taxation. The fact that costs for collection of licence fees in Europe range from 2 to 15 per cent (O'Hagan & Jennings, 2003) has led some to argue that its inclusion in tax collection mechanisms produces efficiencies, although evidence of savings are not clear.

The changing view of licence fee funding, issues of efficiencies, the provision of money making services by public service broadcasters, and concerns over advantages licence fees provide *vis-à-vis* commercial broadcasters are leading some countries to consider different sources of income. France, for example, recently considered ending the licence fee and replacing it with income from lottery ticket sales.\* The Conservative Party in the United Kingdom has been considering the idea of proposing replacement of the licence by subscription income, advertising, and direct state support (Reid, 2003). Even the Labour Party and BBC management now consider it possible that the licence fee may end at some point in the distant future if support for its continuance continues to wane.

Changing from licence fee to tax funding, however, repositions public service broadcasting as just one of an array of social welfare services provided in the state and can remove the ear-marking of the funds for broadcasting that exist with the licence fee. The move to tax funding, which is supported by arguments of collection efficiency and the role of public service broadcasting as a publicly funded cultural institution, puts public service broadcasting in the position of being one of many cultural institutions seeking state funds, such as symphonies, museums, and arts festivals.

In some nations, even those with license fees, parliaments and government agencies provide specific purpose broadcast funding for some activities, such as secondary language and minority services, foreign broadcast services, and special services for groups such as the hearing impaired. Others provide access to special cultural funds for broadcasts of symphonies, operas, and theatrical performances of state subsidized arts groups, for productions of national literary works, and for contemporary domestic drama and documentaries.

---

\* France May Scrap Television License Fee. *Marketing Week*, vol. 23, no. 26, July 27, p. 32.



## **Commercial funding**

There are increasing pressures on public broadcasters to seek new sources of revenue so several types of commercial funding are increasingly important to many PSBs.

### *Advertising funding*

Advertising is the second most important source of funding for public service broadcasters, particularly in television. Competition for advertising sales is high and public service firms compete directly with commercial firms to obtain the funds and must provide access to desirable audiences in order to receive it.

The increasing reliance of many public service broadcasters on advertising for income is strategically problematic – separate from issues associated with the types of content advertisers are most willing to fund – because it is recognized as an uncertain form of revenue on which dependence can be damaging. Television advertising expenditures are cyclical and fluctuate with the economy and advertisers are increasingly disturbed by personal video recorders and other technologies that assist viewers in skipping advertisements altogether. This later factor is one of the reasons that many major advertisers are beginning to shift marketing resources to other forms of marketing and why television advertising expenditures are expected to grow slowly or decline in the future. This presents a significant threat to commercial free-to-air broadcasters and many are seeking other sources of revenue such as diversifying into subscription based channels to ensure their survival. If advertising skipping becomes common, it is likely that the advertising supported free-to-air television channels will diminish or only poor quality programming will be provided. Such a development presents a strategic risk to PSBs because it would leave them in the free-to-air space and reduce the potential for resources from other revenue streams unless they, too, provide subscription and pay-per-view services.

### *Other commercial funding*

A variety of activities create additional possibilities for commercial revenue for public service broadcasters, but their abilities to tap the potential of these sources varies widely depending upon the size of the broadcaster, the nation it serves, the language of its productions, and the extent to which other media firms provide competing services.

Sales of programs produced by PSBs to foreign broadcasters provides significant income for a few broadcasters, with advantages going to those whose language is widely understood or shared in other nations. The size of nation and broadcasting company influences the resources available for production and can increase quality of productions in ways that make them more attractive as export products. Sales of format rights to broadcasters in other nations, rather than exporting actual programs, are increasingly bringing in some additional revenue to PSBs that innovate forms of content.

After sales of DVDs and videos of popular internally produced programs is increasingly providing new revenue streams to public service broadcasters, and national size is an important determinant of the revenue from those sales. Greater revenue is possible in larger countries because price sensitivity for such items requires high sales rather than high prices to produce significant income. Branded merchandise related to PSBs and their popular shows also provides an additional revenue stream but, as in the case of DVDs, the amount of revenue coming from these products is heavily influenced by national size.

Broadband capabilities are enhancing the ability of firms to develop revenue producing services using interactive digital systems. These present opportunities for both PSBs and commercial firms to develop new revenue streams. It is clear that commercial firms would prefer that public broadcasters be excluded from offering many of these services, so the legitimacy and necessity of these activities to PSBs sustainability will need to be asserted strongly.

### **The changing environment of funding**

The expanding market-based context for media is critically important to the future of existing funding because it is changing viewers and listeners into consumers and creating a clear payment-for-services culture in media. In those countries with licence fee payments, the fees have traditionally been seen by many as creating a bond between audiences and public service broadcasters that would not exist with free-to-air television broadcasters. However, the growth of direct audience payments for other broadcast services changes that situation significantly. The development of pay-for-services culture will continue to develop as more pay-per-view and listening services become available and as public service broadcasters increasingly provide personalised services to individuals. This change in the culture of broadcasting creates a compelling need for public service broadcasters to alter ways they relate to their audiences and the public generally and to engage in a range of customer relationship management practices that are currently absent or limited in PSBs (Picard, 2005).

Similarly, audiences increasingly become accustomed to advertising supported broadcasting and that acceptance is changing highly negative perceptions of advertising that previously existed. In this new environment changes are now being sought to increase the flexibility of European Union regulations regarding advertising in the Television Without Frontiers Directive. Significant support for relaxing regulations regarding separation of advertising and program content, including provisions on frequency and duration of advertising breaks and rules on sponsorship and product placement, exists in Brussels and some change is expected in the coming years.

We must recognize that the provision of free-to-air analogue television is diminishing across Europe and other locations in which PSBs operate. Viewers are increasingly receiving public service channels through cable, satellite, digital terrestrial, and broadband distribution systems. All of these systems are shifting

viewers into paid environments where subscriptions for system usage and channel reception are the norm. In many cases viewers are beginning to perceive that their licence fees are paying for the production of PSB programming and that their subscription payments are funding reception of PSB and other channels.

This situation creates challenge in that it represents bundled provision of services that may or may not be desired. In the United States, for example, which has about a two decade lead in the provision of multi-channel services compared to most European nations, there is now significant understanding of how consumers use the services. The average viewer spends more than three quarters of their time watching three or four channels regardless of number of channels available, and all viewers in a household select only a few channels even when the number of channels is large. If 20 channels are received, for example, the average viewed in a household is five; if 50 channels are received, the averaged viewed in a household is 12; and if 100 channels are available, the average viewed is only 16. The ultimate result of this situation is that there are now significant consumer demands and policy initiatives designed to force unbundling of channels offered so viewers only pay for those they wish to watch. If the viewer pattern is mirrored in Europe in the future, there may be increasing demands not to pay for public service channels by viewers who prefer other channels.

Today, public service broadcasters provide a wide range of radio and television channels, as well as print media, recorded audio, and new media products and services. In addition to this expansion of activities, public broadcasters are being greatly affected by digital developments, policy changes, and economic changes. Rising competition from commercial audio and video services provided as free and paid television, cable and satellite services, and downloads are rapidly altering the environment. The nature of civil society has been altered in many nations and the role of the state is being questioned widely in the post-industrial world.

We must recognise that the digital age is fundamentally changing mediated communication, not merely providing new media and other channels of communication. The digital age is increasing communication choices, producing smaller audiences for each channel, and permitting mobile as well as fixed communications. But it is also making audiences far more active participants in the communication process. Digital media are shifting control over communication toward individuals in the audience. They are providing audiences the ability to choose how, when, and where communication is received, and also to filter and personalise information in a way to determine what communication is received. This, of course, runs counter to the fundamental PSB notions of creating and maintaining a cultural commons.

Rather than tying the public more closely to civil society, then, the primary characteristic of the digital age is the breaking down of collective society and the

promotion of a form of isolated, self-centred individualism. The changes produced by digital communications in many ways contradict and impede the ability of public service broadcasters to carry out their primary tasks of serving collective social needs, providing audiences with information and services they need to be effective members of society, and improving the communications received by the public.

Because digital media are inherently designed to serve narrower audiences and individual needs, have significant investment and operational costs, and relatively low demand among consumers, efforts are increasingly being made to transfer much of the costs to users. Although this fits the commercial operations mode quite well, we must recognise that it runs counter to universal service principles inherent in public broadcasting. Thus, the digital age has not merely produced new opportunities for public service broadcasters but is challenging the roles that they play and creating significant pressures for re-evaluation of their mission. If public broadcasting is to avoid a degradation of its position in society and the financial support it receives, it will need to engage its constituencies in a serious dialogue about what its roles and mission is to be in the twenty-first century.

Should licence fees as now constructed become obsolete in the developing environment, public service broadcasters will have to find new methods for raising required revenues. Advertising revenue is already an option used by some PSBs, but it is not the ultimate answer because of the inability to attract advertisers to support some types of programming central to public service activities. In the future, a variety of options will have to be considered, ranging from taxes on advertising carried by commercial broadcasters or fees spectrum use for commercial broadcasters that are then used for PSBs financing. It is also possible to consider funding through subscriptions fees that are parts of commercial cable, satellite, or digital terrestrial services. In these cases the requirement would not be merely "must carry" provisions but require outright payments for carrying the channels that transferred through the system and programming subscription fees.

Regardless of the extent to which policies and regulations permit different public service broadcasters to engage in new types of activities and to develop new revenue streams, all PSBs need to make significant efforts to improve their relationships and bonds with viewers and listeners in the consumer-driven environment that is emerging. Studies of relationships with customers show the importance of creating loyalty (Reichheld, 1996) and for enterprises to effectively use multiple points of contact to improve relations (Curry, 2000). The literature of customer relationship management reveals that relationships must be cultivated and that firms require better insight into customer values, better understanding of how they use products, and clearer information on customer needs and preferences so that customer segmentation, targeted service, and

customer care can be rendered. Customer relationship management is now being widely used in public administration and not-for-profit enterprises (Vigoda, 2002) and is beginning to be applied in some public service entities (Hochheimer, 1993). The processes of customer relationship management help improve service and viewer and listener contacts, promote programs and services, and develop and maintain consumer loyalty. Thus, they have significant application in the contemporary broadcast environment (Picard, 2005).

Today public service broadcasters face the extraordinary challenge of building viewer and listener support and political will to continue collective public funding – whether in the form of license fees or other mechanisms – and to expand the sphere of public broadcast activities beyond the airwaves. That support and will is required if public service broadcasters are to develop the additional revenue streams necessary to support the enlarging range of their media activities that is central to maintaining their relevance as facilitators of social, political, and cultural processes and the achievement of domestic social goals.

## References

- Bauer, J. (2003): Impact of License Fees on the Prices of Mobile Voice Services. *Telecommunications Policy* 27(5/6): 417.
- Curry, J. (2000): *The Consumer Marketing Method: How to Implement and Profit from Customer Relationship Management*. New York: Free Press.
- Daalmeijer, J. (2004): Public Service Broadcasting in The Netherlands. *Trends in Communication*, 12(1): 33–45.
- Doyle, C. (1998): Programming in a Competitive Broadcasting Market: Entry, Welfare and Regulation. *Information Economics and Policy*, 10(1): 23–39.
- European Audiovisual Observatory (2005): *Yearbook – Radio, Television, Video and Multimedia in Europe*. Strasbourg: European Audiovisual Observatory.
- European Broadcasting Union (2000): The Funding of Public Service Broadcasting. Report of the Legal Department. DAJ/MW/mp.
- European Commission (2001): Communication from the Commission on the Application of State Aid Rules to Public Service Broadcasting. *Official Journal of the European Communities*, 2001/C 320/04.
- France May Scrap Television License Fee. *Marketing Week*, vol. 23, no. 26, July 27, p. 32.
- Fraser, C. (1996): On the Provision of Excludable Public Goods. *Journal of Public Economics*, 60(1): 111–130.
- Griffen, J. (2002): *Consumer Loyalty: How to Earn It, How to Keep It*. San Francisco: Jossey-Bass.
- Herrero, M. (2003): Programming and Direct Viewer Payment for Television. The Case of Canal Plus Spain. *Media Market Monographs* No. 4 (June 2003).
- Hibberd, M. (2004): Italian Democracy Gone Mad? Public Service Broadcasting in the Berlusconi Era. *Trends in Communication*, 12(1): 15–31.
- Hochheimer, J. (1993): Organizing Democratic Radio: Issues in Praxis. *Media, Culture and Society*, 15(3): 473–487.
- Kraftt, M. and Götz, O. (2003): "Customer Relationship Management öffentlicher und



- privater TV-Sender", pp. 339–363 in Bernd W. Wirtz, Hrsg. *Handbuch Medien- und Multi-media-Management*. Weisbaden: Gabler.
- MacCabe, C. & Stewart, O. (1986): *The BBC and Public Service Broadcasting*. Manchester: Manchester University Press.
- McKinsey & Co. (1999): *Public Service Broadcasters Around the World: A McKinsey Report for the BBC*. January.
- Newcomb, H., ed. (1997): License fee. pp. 956–957 in *Museum of Broadcast Communications Encyclopedia of Television*. Chicago: Fitzroy Dearborn Publishers.
- O'Hagan, J. & Jennings, M. (2003): Public Broadcasting in Europe: Rationale, Licence Fee, and Other Issues, *Journal of Cultural Economics*, 27(1): 31–56.
- MacCabe, C. & Stewart, O. (1986): *The BBC and Public Service Broadcasting*.
- Pfeffer, J. and G.R. Salancik (2003): *The External Control of Organizations: A Resource Dependence Perspective*, (2nd edn). Stanford, CA: Stanford University Press.
- Picard, R.G. (1996): The Rise and Fall of Communication Empires, *The Journal of Media Economics*, 9(4): 23–40.
- Picard, R.G. (2001): *Expansion and Limits in EU Television Markets: Audience Advertising, and Competition Issues*. Discussion Paper C2/2001. Turku, Finland. Turku School of Economics and Business Administration, Business Research and Development Center.
- Picard, R.G. (2002): *The Economics and Financing of Media Companies*. New York: Fordham University Press.
- Picard, R.G. (2005): Audience Relations in the Changing Culture of Media Use: Why Should I Pay the Licence Fee? pp. 277–292 in Gregory F. Lowe and Per Jauert, eds. *Cultural Dilemmas in Public Service Broadcasting*. Göteborg, Sweden: NORDICOM.
- Reichheld, F. (1996): *The Loyalty Effect: The Hidden Force Behind Growth, Profits, and Lasting Value*. Boston: Harvard Business School Press.
- Reid, Alisdar (2003): Will the BBC Run Ads if the License Fee is Removed? *Campaign*, 16 May, p. 14.
- Schmitt, H. (2003): *Customer Experience Management: A Revolutionary Approach to Connecting with Your Customers*. New York: John Wiley and Sons.
- Vigoda, E. (2002): From Responsiveness to Collaboration: Governance, Citizens, and the Next Generation of Public Administration. *Public Administration Review*, 62(5): 527–541.
- Van Cuilenburg, J. (1999): Between Media Monopoly and Ruinous Media Competition. In Zassoursky, Y. & Vartanova, E. (eds), *Media, Communications and the Open Society*, pp. 40–61. Moscow: Faculty of Journalism / IKAR Publisher.
- Van der Wurff, R., Van Cuilenburg, J. & Keune, G. (2000): Competition, Media Innovation and Broadcasting. In J. Van Cuilenburg & R. Van der Wurff (Eds.), *Media and Open Societies*, pp. 119–157. Amsterdam: Het Spinhuis.
- Vipond, M. (1995): Financing Canadian Public Broadcasting. Licence Fees and the "Culture of Caution." *Historical Journal of Film, Radio & Television*, 15(2): 286–301.
- Whittle, S. (2004): Public Service Broadcasting in the New Media Age: The BBC's Experience. *Trends in Communication*, 12(1): 3–13.

# Making a Difference

## Public Service Broadcasting in the European Media Landscape

Edited by  
Christian S. Nissen



**British Library Cataloguing in Publication Data**

Making a Difference: Public Service Broadcasting in the European Media Landscape

1. – Christian S. Nissen

ISBN: 0 86196 686 4

Also published in French: *Faire la différence: La radiodiffusion de service public dans le paysage audiovisuel européen*. ISBN: 0 86196 687 2

Published by

**John Libbey Publishing**, Box 276, Eastleigh SO50 5YS, UK  
e-mail: libbeyj@asianet.co.th; web site: www.johnlibbey.com

Orders: **Book Representation & Distribution Ltd.** info@bookreps.com

Distributed in North America by **Indiana University Press**, 601 North Morton St, Bloomington, IN 47404, USA. www.iupress.indiana.edu

Distributed in Australasia by **Elsevier Australia**, 30–52 Smidmore Street, Marrickville NSW 2204, Australia. www.elsevier.com.au

Distributed in Japan by **United Publishers Services Ltd.**, 1-32-5 Higashi-shinagawa, Shinagawa-ku, Tokyo 140-0002, Japan. info@ups.co.jp

© 2006 Copyright John Libbey Publishing/European Broadcasting Union  
All rights reserved. Unauthorised duplication contravenes applicable laws.

Printed in Malaysia by Vivar Printing Sdn Bhd, 48000 Rawang, Selangor