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Television Versus the Internet

Will TV prosper or perish as the world moves online?

BARRIE GUNTER
Preface

The television marketplace has become increasingly competitive since the early 1990s. Technological developments have driven the growth of television channels and opened up new platforms for the transmission of programmes and much other content as the emergence of digital communications has begun a process of rapid transformation of the traditional media landscape. The conversion of pictures and sounds into binary codes means that content can be compressed to the extent that it is possible to convey significantly more content to media consumers, including television viewers, within the same waveband space (Negroponte, 1995). The switch to digital will, say its proponents, reap economic benefits for the television industry (as well as for other media sectors), facilitate production of better quality programmes, create better quality reception, and bring greater choice for viewers (Parliamentary Office of Science and Technology, 2006).

The rapid growth of the television marketplace facilitated by digital technology has also raised concerns in some sectors of broadcasting about its implications for their future operations. In the United Kingdom, it has triggered debates about the future of public service broadcasting (PSB) and led to questions being raised about the business models and regulatory restrictions of government-funded and commercially-funded PSB operators (Ofcom, 2004, 2007a, 2009d). While this debate is relevant to any analysis of the overall importance of television, more far-reaching changes to the medium are being driven by the relentless growth of the Internet which is emerging as a platform of significance for the delivery of television programmes and movies and is changing the way media consumers seek to select audio-visual content for their entertainment and information (Hammersley, 2006).

Major commercial broadcasters have felt the strain in particular as advertising revenues have dropped. The emergence of multi-channel television platforms has meant that viewers have far more channels to choose from and this has reduced the audience share of the channels that pre-dated these platforms. As the penetration of multi-channel platforms
has spread, so the share reductions of the major channels in the UK, that all have public service broadcasting (PSB) requirements placed upon them, have become increasingly acute. This development has led to important debates about the future of PSB, how it should be funded and whether it is viable in its current form, or at all, in the future. The emergence then of the Internet as a new information and entertainment source has created a further threat to television with fears that audiences for the medium in general will be seriously eroded.

Its defenders have pointed out that so far there are no signs that television is on the way out. Looking back at the audiences for the medium over time indicates that they have changed little. Over a ten-year period from the mid- to late-1990s, the average amount of time people watch television has shown mild fluctuations but certainly no progressive downward trend. Moreover, the evidence frequently cited in support of the cannibalisation of television audiences by the Internet is generally founded on self-report data the accuracy of which can be called into question (Alps, 2008).

That television is moving through a period of rapid change is undeniable. Technological developments have encouraged the multiplication of TV channels, TV signals can be received via different technology platforms and programme viewing is no longer restricted only to standard TV sets. Governments around the world are switching from analogue to digital forms of transmission to further expand the amount of content that TV signals can carry. In the United States, for example, the digital switchover occurred between 2006 and 2009 and in the United Kingdom was set to occur in a rolling programme across the country between 2008 and 2012 (Conformity e-News Breaks, 2006; DCMS/BIS, 2010). All these changes have created a great deal more competition for viewers within the traditional TV marketplace. At the same time, competition for eyeballs has also grown from outside that traditional marketplace with the emergence of the Internet. The roll-out of the broadband Internet has had the greatest impact because online technology has been created that can readily convey the same content as television.

The rapid penetration of online applications that supply information, entertainment and communications channels has resulted in ever-growing numbers of people devoting more and more of their time to the Internet and the World Wide Web. The Internet has proven to be especially popular with young people who have adopted its applications to a far greater extent than their elders, though even the latter have now begun to take up online activities in significant numbers (Gunter, Rowlands and
Nicholas, 2009). Does the appeal of the Internet mean that people are turning away from television? If this is the case, what future does television have? Or have scaremongers who claim that television is not long for this world got it all wrong? Rather than eating away at television’s audiences, can the Internet provide an alternative route through which television can evolve and prosper in the future?

As well as being a competitor to television for users, the Internet has also emerged as an alternative platform for the distribution of programmes (see Hammersley, 2006). The use of video content online has become a factor driving the growth of use of the Internet (Bulkley, 2010) while at the same time, the level of interactivity associated with online applications has also begun to surface with digital television technology. Advanced digital interactive technologies will convert the television set from a passive receptacle of standard format programmes into a communication centre through which viewers will be able to send as well as receive content (Gunter, 2005a). This will open up all kinds of new possibilities whereby television can be used, much as personal computers, as transactional devices.

These developments signal a movement away from traditional forms of television viewing, dominated by linear programme schedules contained within television channels where the timing of transmission is determined by the producer or sender, towards a more interactive, non-linear system within which the consumer can decide what to watch and when (Swedlow, 2000; Maad, 2005).

This on-demand environment presents both challenges and opportunities for established broadcasters. New suppliers of television services have emerged within the online world who are competing directly within multi-channel packages conveyed via television sets. Some of these Internet-based services such as Zattoo provide video streams of existing television channels and others, such as Babelgum, Blinkbox, Joost, and SeeSaw provide access to a range of genres of programming and movies that can be downloaded or streamed on-demand. Furthermore, these online services tend, more often than not, to be available free of charge to users.

In addition, the major broadcasters have themselves begun to establish their own on-demand services available over the Internet and in due course via Internet-enabled television sets. In the UK, public service broadcasters such as the BBC have joined forces with telecommunications operators to provide online video and interactive services (Cooper, 2010). Even broadcasters’ traditional offline competitors such as newspapers have entered the video production market on the Internet with video
content used to support news stories on their web sites (Bulkley, 2010). Once these developments really take hold, the entire shape of traditional television viewing could change and could render the linear television channel arrangement outmoded. If this scenario represents an accurate description of the way the Internet will drive television to evolve, it will have significant implications for the future of public service and commercial broadcasters that will have to re-think their current business models. Some commentators have argued that on-demand services still tend to be used as enhancements to conventional channel-based viewing on television as viewers go to on-demand frequently to catch up on programmes they missed on first transmission in channel schedules (Alps, 2010). Nonetheless, even this ‘catch-up’ viewing entails a different kind of engagement with video content and a different style of television viewing.

This book will explore these questions by considering the evidence concerning the user bases or audiences for television and the Internet. Are these audiences the same? Do people make a choice between these two media or do they use them both at different times and for different reasons? Can television utilise the Internet in profitable ways to enhance its market position? Will television have to evolve from its current state to provide the kinds of content reception services to which people have become accustomed in the online world? If it does need to change to survive, will this also mean a radical new configuration of content and the disappearance of ‘channels’ with fixed, pre-determined programme schedules?
About the author

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Audience evolution patterns

New communications technologies have opened up significantly enhanced choices for media consumers in obtaining entertainment and information. This development has not simply been reflected in the growth of television channels facilitated by digital transmission technology, but also in the range of other technologies – fixed and mobile – through which electronic content can be received. Multi-channel TV packages have spread far and wide and the majority of viewers in the UK had adopted them even before the digital switch-over. In consequence, television audiences have fragmented and the major channels that have been broadcasting the longest have experienced significant erosion of their audiences with important implications for their future viability. The emergence of the Internet and its dramatic penetration of the population have added to the complexity of the communications and media environment. Is television as a medium under threat as the Internet pulls users towards it for reasons that could displace the relevance of television in their lives? Is the Internet cannibalising television audiences, or is that claim over-stated?

The convergence of previously distinct technologies such as sound and visual broadcasting, computing, and telecommunications has meant that the same pieces of kit can be used to send and receive content and that that content can be sent and received in a number of forms – audio, picture and text. Hence, mass communications and interpersonal communications can be accommodated by the same technological apparatus. Historically, these communications forms and systems were carried by different technologies with different types of organisation providing these distinctive communications services. Technological convergence has meant that such distinctions are disappearing. It also means that communications organisations are changing to become multi-media businesses rather than single-medium businesses. Telecommunications companies, for example, no longer conceive of themselves simply as providers of a communications infrastructure; they now recognise the importance to their business future
of also becoming content providers. Broadcasters can generate revenue not simply through the sale of airtime to advertisers or sale of programmes to other broadcasters, but also by engaging their audiences interactively via the telephone. All these actors are evolving as businesses in response to the opportunities and challenges presented to them by the growth of digital communications technologies. The traditional business models of these industries are being revised as well as consumers becoming empowered by digital technology to expect personalised services on-demand (Berman, 2004).

The expansion of reception technologies also means that media consumers are no longer restricted to receiving entertainment and information via fixed technologies such as their household television and radio sets. Personal digital assistants have built-in telephone and content reception technology. They can be used not only to send voice or text messages one-to-one, but also to receive still and moving images and music. Personal computers (PCs) and laptops can be used for word processing and data analysis, but also represent communications technologies through which multi-media content (audio, visual and text) can be sent and received. When used to download music, films and news via the Internet, PCs compete directly with television for people's attention. These developments have opened up a wide range of new content reception opportunities for media audiences. The use of increasingly interactive communications technologies has also conditioned new media-related behaviours. Media consumers are significantly more empowered to control the way they consume information and entertainment content and have become accustomed to having not only more choice of content, but also direct influence over the time and place of consumption (OECD, 2008).

Perhaps the most significant development in this context from the mid-1990s has been the emergence and rapid penetration of the Internet. The Internet has been perceived as a direct threat to the longer established media such as newspapers, radio and, perhaps most of all, television (Adoni and Nossek, 2001; Holmewood and Hughes, 2009). One perception is that the time occupied by being online will be subtracted in the case of most media consumers from the time they devote to reading newspapers, listening to radio or watching television. The focus of this book is concerned with the influence of the Internet on the way television is used. Does Internet use displace television viewing? Or can the Internet actually benefit television (and other mass media)?
Growth of media supply and television viewing

Increasingly, national audits of households across the UK have revealed that more and more people own more and more communications equipment (Ofcom, 2009a, 2009b). Nearly all households possess at least one television set, and many have more than one. Virtually all households have both landline and mobile telephones and half of all households have personal computers with Internet access. Rapidly growing numbers of British households are signing up to broadband telecommunications networks enabling the faster transfer and larger and larger volumes of multi-media content.

Hence, the UK is experiencing a changing communications environment that has embraced the introduction of new media and the upgrading of established older media. Radio and television services are being technologically upgraded to digital transmission to enhance the quality and volume of content carried. Even newspapers, traditionally consumed in hard copy, are increasingly available in electronic form via the Internet (Ofcom, 2007c).

Even when considering just television, recent times have witnessed radical changes to the nature of the home entertainment it can provide. A handful of television channels have been superseded by multi-channel packages that may offer dozens or even hundreds of channels. On cable and satellite television systems, viewers can order programmes virtually on demand, while broadband technology can allow viewers to order individual programmes for delivery to them whenever they want.

Older media generations were brought up in a world where they had only a handful of television channels and radio stations to choose from and where telecommunications were used only to contact other individuals in one-to-one conversations. The 1980s witnessed a growth in television hours on established television channels and some growth in the number of channels that were available to everyone and via cable and satellite transmission systems for those willing to pay extra. Video recorders also became widespread in households by the later years of this decade. But the range of content choice and degree of control available to media consumers even then was significantly less than in the post-2000 era.

Throughout the 1990s media technologies continued to evolve and diversify. Perhaps the most significant development to occur during this decade was the emergence of the Internet for general public use and consumption. Other developments of comparable significance in terms of
their speed of adoption were the rapid spread of multi-channel television packages and mobile telephones. By the end of the first decade of the twenty-first century, virtually everyone in the UK (99%) had some form of basic TV access to the five analogue, terrestrially-transmitted TV channels, while nearly as many (98%) could gain access to digital satellite TV. Digital terrestrial TV services which are free of charge were available to nearly three out of four homes (73%). Other multi-channel platforms including digital cable TV (49%) and Internet protocol television (IPTV) (39%) were available to large minorities (Ofcom, 2009a).

**Growth of the Internet**

A number of studies have indicated that the Internet market has experienced rapid growth around the world. This growth has been manifest in the penetration of the Internet, the extent to which people claim to use it, and digital log tracking of traffic levels of web sites. By the close of the first decade in the twenty-first century there were 361 million Internet users worldwide, a growth of 380 per cent since 2000. Internet penetration was highest in North America (74%), Australia/Oceania (60%) and Europe (52%) (InternetWorldStats, 2009). In the UK, Internet penetration among people aged 15 and over grew from 30 per cent in 2000 to 76 per cent in 2009. This followed similar growth in ownership at home of personal computers/laptops (46% to 76%). It is worth noting that multi-channel television penetration also increased significantly over this period (36% in 2000 to 90% in 2009) (Ofcom, 2009c).

It is worth taking a closer look at Internet-related data because adoption rates have varied across different sectors of the population. Changing Media (2007) reported steady growth year-on-year in the proportion of the UK population that uses the Internet. In a report produced for the BBC Trust, this agency reported data from a number of UK research sources that showed a fairly consistent increase in the proportion of UK households with Internet access from 50–57 per cent in 2004 to 60–67 per cent in 2007. In the same report, further research conducted by leading market research company Ipsos MORI (2007) was presented that indicated that over one in two people in the UK (55%) claimed to have access to the Internet in 2004 and that by 2007 this figure had risen to nearly two-thirds (65%) of the population. Further figures were reported from research by Eurostat in 2007 that showed the percentage of 16 to 74 year-olds in the UK that had access to the Internet
at least once a month over three months increased from around one in two (49%) in 2004 to nearly two-thirds (65%) in 2007 (Changing Media, 2007).

Internet penetration has not reached the same levels for all sectors of the population. In the UK, Changing Media (2007) reported that Internet users tended to be better educated, more affluent and were disproportionately represented by people living in London. There were also marked age differences in the use of the Internet. The youngest adult age groups were the biggest online aficionados. Data that were presented from the Office of National Statistics (ONS), however, revealed that all age groups exhibited year-on-year growth in Internet use between 2006 and 2007: 16–24s, 83% to 90%; 25–44s, 79% to 80%; 45–54s, 68% to 75%; 55–64s, 52% to 59%; and 65+, 15% to 24%. Although exhibiting the lowest level of use, the oldest members of the population also exhibited the biggest year-on-year increase.

The data from the ONS were corroborated by research from the Oxford Internet Institute (OII; Dutton and Helsper, 2007). The OII data derived from 2005 and 2007 and were based on large nationwide surveys in the UK. The age-bands used here were different from those used by the ONS, but Internet penetration levels were similar where age-band comparisons could be made between the two sets of data. Once again, Internet use fell steadily with the age of respondents, but increased throughout between 2005 and 2007: under 18s, 90% to 94%; 18–24s, 78% to 86%; 25–34s, 69% to 78%; 35–44s, 69% to 77%; 45–54s, 65% to 78%; 55–64s, 53% to 58%; 65–74s, 31% to 37%; and 75+, 20% to 24%.

According to Eurostat data for 2006 reported by Changing Media (2007) both women and men used the Internet on a daily basis to an equal extent (50% in each case) among people aged 16 to 24 years. Among older users aged 24 to 54 years and 55 to 74 years, however, men (54% and 26% respectively) were more likely than women (40% and 13% respectively) to go online every day.

Research from the Oxford Internet Institute confirmed that home access was most prevalent among Internet users but also indicated that this occurred to a much wider extent (89% in 2003; 94% in 2007) than indicated by Ofcom (Dutton and Helsper, 2007). The OII research revealed the greatest magnitude of location increase between 2003 and 2007 was to go online in someone’s house (from 10% to 30% of UK Internet users).

The extent of its penetration outlines the potential of the Internet to compete with television. The more people there are who go online, the greater is the number of households in which the Internet potentially could displace TV viewing. The mere presence of the Internet in
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households, however, reveals nothing about the extent to which it might be used within specific households. The greater the amount of time people devote to online activities, the more likely it is that their online behaviour could eat into their waking time budget and displace other activities.

Data produced by the Office of National Statistics indicated that by 2007, two-thirds of all Internet users (67%) claimed to go online every day or almost every day. One in four (24%) claimed to go online at least once a week, and fewer than one in ten (9%) said they went online less often than once a week (Changing Media, 2007). These ‘reach’ figures for online behaviour give some idea of the popularity of the Internet, but still fall short of the data we need to fully appreciate how time-consuming online activities can be. Even those who claim to go online every day could vary widely in the amount of time they usually stay online.

Research produced by the EIAA 2006 Mediascope study collected data about online behaviour from the UK, Germany, France, Spain, Italy and the Nordic countries. UK Internet users reported that they remained online for between eight and 18 hours per week. Over a three-year period of monitoring, this study found that reported hours per UK Internet user spent online in a typical week increased progressively across 2005 (10.7 hours), 2006 (11.3 hours) to 2007 (12 hours) (see Changing Media, 2007).

These self-report data are indicative of time spent online but may also be susceptible to inaccuracies of memory on the part of survey respondents. Even more robust data on Internet use can be derived from continuous monitoring of Internet users’ behaviour. Industry assessment agencies such as Nielsen NetRatings specialise in producing such data. Ofcom (2007c) reported data from Nielsen that showed that on average nearly half of UK Internet users (48%) used the Internet at least once during a one-month observation period in April 2007, and spent an average of 30.5 hours online during that spell. This research demonstrates the need to consider how the Internet is used from a number of perspectives.

Confirming findings reported earlier in this chapter, the oldest Internet users, aged 65 and over, were least likely to have gone online at all during April 2007 (16%). The youngest adults, aged 18 to 24 years (65%) were far more likely to have gone online at all, as indeed were those aged 25 to 34 (51%), 35 to 49 (47%) and 50 to 64 (44%). Surprisingly, the oldest Internet users exhibited the heaviest usage of the Internet once they were online (41.6 hours during April 2007), outstripping even the 18 to 24s (37.9 hours). This does not mean that Internet use displaced television viewing to a greater extent among the oldest users than among younger users, although it does open up the possibility that that could happen. It is equally feasible that retired people have more time in general to use all
kinds of media and that they can accommodate a greater than average amount of Internet use without sacrificing any of their television viewing. There could be a far greater likelihood of Internet use displacing TV viewing among younger age groups that may have far less time to devote to any media consumption, especially at home, because of the greater demands on their time from work and family life.

One particularly important aspect of Internet growth has been the popularity of online video watching. In the United States, more than 158 million Internet users watched online videos during one month in July 2009 (81% of the Internet population). They averaged 135 videos each, occupying over eight hours (Strangelove.com, 2009). In the United Kingdom, Internet audience research revealed that eight in ten Internet users (80%) viewed online videos in January 2009, amounting to an average of 9.5 hours per viewer (ComScore, 2009b). This phenomenon will be revisited later in this book. These figures serve to illustrate its prevalence and the time it now occupies among significant numbers of people.

Implications of media expansion

The explosion of electronic content and media services, the rapid development of communications technologies and blurring of industry boundaries have created an exciting and complex media environment which for many media consumers is confusing (Buckingham, 2006; Gunter, Rowlands and Nicholas, 2009). To make the most of this environment, a higher level of media literacy is needed across the population (Frechette, 2006; Gunter et al., 2009). Programming a video recorder, utilising interactive television services, surfing the web, using e-mail and sending text messages via mobile and fixed technologies, and downloading content from distant computer servers all require a degree of technological competence. While such competency is growing, there remain many people who experience serious problems even at relatively basic levels of utility. Indeed, for many people, technology anxiety may result in avoidance of more sophisticated media services. Nervousness and perceived lack of competence to use interactive digital television services, mobile phones and personal computers is most prevalent among the over 65s, but also troubles one in ten to one in five people from younger age groups (Ofcom, 2009c).

Communications technologies have been regarded by governments as playing critical roles in relation to the economic, cultural, social and
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political fabric of society. A legislative and regulatory environment is needed that can ensure the UK’s internal media market is a vibrant and competitive one in which major players can grow big enough to compete effectively on the international stage (BIS/DCMS, 2009). Communications industries must be able to converge to capitalise on their different strengths in bringing together distinctive technologies to deliver new kinds of services that offer consumers more choice and control. A vibrant industry can also be expected to generate revenues to facilitate investment in the high quality outputs and services.

The media should reach all sectors of society and represent the diverse social and cultural mix of society. In the case of television, there should be programme services that cater for the interests, needs, and tastes of different minority groups as well as the mass. Diversity should not be delivered at the expense of quality. While services should offer more choice, they should also seek to attain the highest quality possible in terms of production value and in not offending people or by breaching normal standards of taste and decency. In the latter context, people as citizens and as consumers should be protected against offence and against over-priced access to services. While the expansion of media services will give media consumers more choice, this may come at a financial cost. Leading media organisations that may seek to control production, distribution and reception technologies and processes will gain the power to determine the price the consumer market must pay to gain access to content. Market competitiveness will depend in part on market diversity – that is, a market in which there are a number of different providers of services in competition with each other for customers. Government controls over media ownership and market dominance are therefore needed to safeguard consumer interests in this way. At the same time, any regulatory framework must perform a balancing act between freedom of speech and freedom to trade and consumer protection. These points have all been recognised by government in the UK in setting out its stall for communications legislation (BIS/DCMS, 2009).

Within a political context, it is important that the major media provide a diversity of viewpoints as well as of services. As a major source of information, this provision is especially significant in the case of television. The central focus is on people as citizens rather than as consumers. Citizens comprise the electorate and the electorate underpins democracy by playing an active part in the selection of government. Citizens need to be kept adequately and accurately informed about world events and, more especially in relation to their democratic role, about political developments, government and opposition parties’ policies and government performance.
The range of quality of information supplied by the media as news sources thus has paramount importance. These points apply to television perhaps more than any other medium. This is because television has regularly been nominated by the public as its main source of news. There is an expectation, on the part of the public, that television can be depended upon as a truthful, comprehensive and impartial news provider.

The position of television in society

To ensure that the political, social and cultural interests of the public are safeguarded, it has been the custom in Britain to ensure that part of its television system remains free of the pressure of the commercial marketplace. In fact, when broadcasting in the form of radio was initially launched in this country with the establishment of the BBC, it was regarded as a cultural resource the primary purpose of which was to enrich the lives of those who consumed its outputs (Curran and Seaton, 1997). This value system was carried over to television broadcasting not only as championed by the BBC but also by the initial commercial broadcasters. Public service broadcasting (PSB) principles were designed to ensure that broadcasting served to provide diverse and high quality programme services that informed and edified as well as entertained audiences. These services were required to observe principles of impartiality in news reporting, especially on matters of political and industrial significance in Britain and of taste and decency across all forms of programming (Briggs, 1961, 1979).

In a limited broadcasting system, with few television channels and radio stations, the policing of public service broadcasting principles was relatively straightforward. In the modern broadcasting environment, with many hundreds of broadcast operators, this process has become more complicated. A lynchpin of the public service broadcasting tradition was that the broadcast spectrum could accommodate only a small number of channels. This scarce resource therefore had to be used wisely and responsibly (Briggs, 1979; Curran and Seaton, 1997). Technological developments during the latter part of the twentieth century changed all this. Digital transmission technology, over the air and via wired-up systems, created a significantly expanded capacity for the carriage of television channels. The founding rationale of ‘scarce resource’ no longer applied. In addition, media consumers became more sophisticated and more demanding. The idea that the broadcasters alone would decide
what was good for their audiences became replaced by one in which the media consumer has sovereignty (Ofcom, 2004).

Media consumers have also shown that they are prepared to pay extra for the content they wish to consume (Klein, Kargar and Sinclair, 2004b; Ofcom, 2006d). While the costs of television viewing traditionally comprised the purchase price of the set and any add-ons (e.g. video recorder) and the licence fee, in the modern media environment, most television services can now be accessed only at additional cost, either in the form of a periodic subscription fee attached to specific channel packages or in terms of pay-per-view whereby the consumer pays a fixed fee for a particular product (e.g., a movie or major sports event).

A further important technological development has been that a traditionally ‘passive’ medium, in terms of mode of reception, was converted into a more dynamic medium. The advantages of interactivity in media reception, whereby the consumer controls what is received, when it is received, and whether it is retained or thrown away, became apparent with the emergence of the Internet. Personal computers represent a form of technology in which the user actively engages with the hardware and its accompanying software to determine precisely the content that is consumed. Digital technology holds the promise of a similar form of content reception for television. It is expected that new generation television sets to emerge in the first decade or two of the twenty-first century will have the same interactive capabilities as personal computers.

All these developments will mean that the traditional form of television viewing, whereby selections are made at the channel level and then at the programme level, will be replaced by a reception environment in which television consumers will select from libraries of content the particular items they wish to consume. In that environment, the traditional notion of public service broadcasting may need to change. Indeed, it may be difficult for it to survive in the form in which it has been known since the earliest days of broadcasting.

**Changing patterns of consumption**

The environment for television viewing is extremely volatile. In part, the explanation for this might be that the Internet has exposed viewers to fresh opportunities for getting entertainment and information as well as new sets of gratifying activities to occupy their leisure time. Part of the reason can also be linked to the changing nature of viewing itself
contingent upon technology advances that have given viewers more choice and control.

The patterns of TV viewing have changed in response to the rapidly evolving digitised television environment. Whereas viewing was dominated by a small handful of TV channels 20 years ago, in the twenty-first century it has become fragmented. Ofcom (2009a) reported, for example, that in 1982, shortly before the launch of Channel 4, ITV (now ITV1) enjoyed a 50 per cent share of the total TV audience in the UK, BBC1 captured a 38 per cent share and BBC2 managed a 12 per cent share. In 2008, ITV1 achieved an audience share across all UK TV homes of just over 18 per cent, BBC1 managed nearly 22 per cent and BBC2 achieved just short of 8 per cent.

Thus, those channels that once monopolised the airwaves now face a much more competitive market for viewers alongside a progressively growing multitude of other channels on the burgeoning multi-channel platforms. There is consistent evidence that all five public service broadcast channels – BBC1, BBC2, ITV1, Channel Four, and Five – have collectively, and in some cases individually, experienced significant erosion in their shares of the total television audience in the face of growing competition from commercial, multi-channel packages.

Audience share losses experienced by the longer-established terrestrial channels with public broadcasting remits do not really pinpoint whether they have lost popularity in general or whether audience losses were associated with particular types of programme output. Multi-channel television packages offer volume and diversity of content through a wide range of thematically specialised channels. Diversity is therefore achieved across channels, even though within specific channels the only diversity to occur, in most cases, is that which occurs within a genre. In contrast, each public service channel attempts to offer genre diversity in its own right.

The extent of audience loss incurred by the five terrestrial television channels within multi-channel homes has been found to vary across programme genres. In its analysis of audience trends between 1998 and 2003, Ofcom (2004) reported that network news on the terrestrial channels was a particularly big loser. Audience reach for the news on BBC, ITV1, Channel 4 and Five fell, across this period, from 74 per cent to 55 per cent. There were further significant declines for current affairs (50% to 22%), serious factual programmes (45% to 20%) and arts and classical music broadcasts (30% to 7%).

Some programmes emerged as more vulnerable than others to audience losses in the face of competition from the multi-channel environment. Ofcom (2004) reported, for example, that the long-running religious