

# THE AUDIENCE OF THE FUTURE



A STUDY ON THE RELATIONSHIP  
BETWEEN TEENAGERS AND  
PUBLIC TELEVISION  
IN THE NETHERLANDS

BY  
JONA DERKS

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GRADUATION ASSIGNMENT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
FOR THE DEGREE OF BACHELOR OF COMMUNICATION OF THE INSTITUTE OF COMMUNICA-  
TION AT THE UTRECHT UNIVERSITY OF APPLIED SCIENCES

Utrecht, June 7, 2010

## **Management Summary**

Over the last couple of years the younger audiences of Dutch public broadcasters have been declining. This dissertation will look for the reasons of the decline for the 13 to 19 year old audience. The research consisted of six interviews with media professionals and extensive literature research. The reasons for the decline in viewing are (1) the lack of content for teenagers, (2) the changed media behavior of the group, (3) the rise of new media and (4) the slow adaptation of Dutch public broadcasting to changing environments. The Dutch public broadcasting industry will be dissected in the themes: (1) consumer & market, (2) technology, (3) management & business, (4) finance & economics and (5) policy and regulation. At the end of the dissertation, an advice will be given to solve the problem using the five main themes.

Keywords: Audiovisual Content, Broadcasting, The Netherlands, Public Television, Teenagers.

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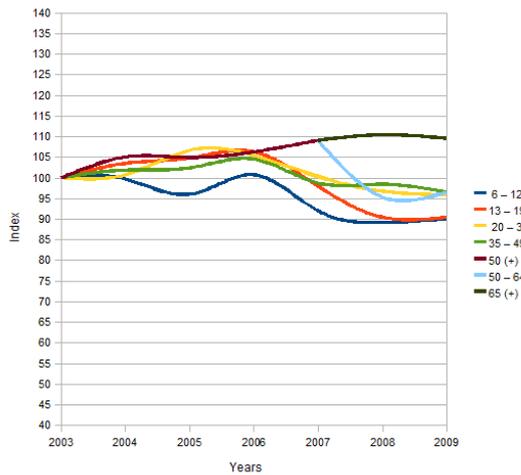
## Acknowledgements

I would like to thank my tutor Peter H.T. de Groot for his support, tips and dedication. This dissertation could have never been written without his help. Also, I would like to thank the media professionals who were so kind to grant me their time to interview them. Furthermore, I would also like to thank all the teachers of International Communication and Media for the way they have opened my eyes. During my four years at the University of Applied Sciences Utrecht, I learned about all important aspects of the media and communications field. Finally, I want to thank my sweet girlfriend, Eva Maršálková, for the way she supported me during this period. Děký, moje milá srnko!

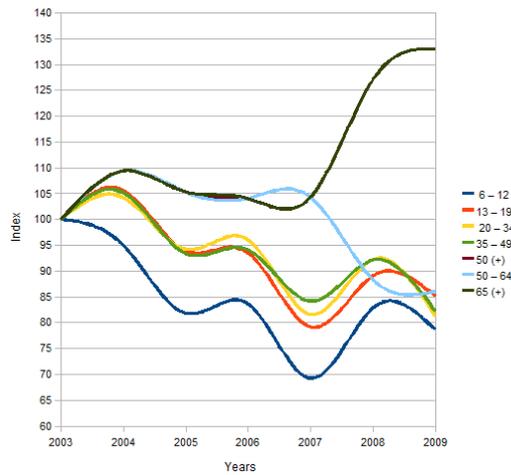
# I. Introduction

The media landscape has drastically changed during the last decade. Internet has been massively adopted, free newspapers have shaken up the written press and the growth of television audiences has halted. In a special report on television, the economist called it “the last remaining mass medium” (“Changing the channel”, 2010, p.15). Over the last couple of years, the average Dutch viewing behavior has stably been around three hours a day. The figures clearly show that the public broadcasters started serving the older audiences while neglecting the younger ones. The cause for the decline of television viewing among teenagers, or the 13 to 19 year old group, will be researched and possible solutions will be proposed.

Graph 1: Index of television viewing (2003=100%)



Graph 2: Index of public television viewing (2003=100%)



## I.1 Justification

The Dutch government subsidizes public broadcasting to ensure high quality broadcasting for everybody. Politicians are calling for cuts in spending and even suggest to get rid of one of the television channels. Young people are moving away from public television. The Dutch Public Broadcasters Association (NPO) has the mission to “be from and for everybody. The public broadcasters bind the Dutch society with programs that inform, inspire and amuse.” (Nederlandse Publieke Omroep, n.d., p.1). With this mission the broadcasters should cater to all audiences, since they are paid for by the taxpayers.

## I.2 Problem definition

Public broadcasting aims at being there for every Dutch citizen, but fails to do so. Over the last decades, the older audiences have grown, while the younger audiences did not or even decreased. The problem definition for this dissertation is:

*Dutch public broadcasting of audiovisual content is declining in reach among teenagers.*

This is an unsustainable situation for the following two reasons:

1. Teenagers will have to replace the older audiences in the future. Loosing the audiences in their formative years will make it very hard to attract them later on in life.
2. Teenagers are in a very important part of their development. Not reaching them with public content is a failure of the mission of the NPO.

## I.3 Policy and research question

This dissertation is written to offer solutions for the problem of the declining audiences. To tackle the problem, the

following policy question will be answered:

*How can the public broadcasters improve their reach with audiovisual content among teenagers?*

To answer this policy question, thorough literature research will be done. This will be supplemented by expert interviews to gather different points of view. The research question for this report is:

*What caused the decline in the viewing of Dutch public television among 13 to 19 year olds?*

To answer this question the research sub-questions below will be answered. They will be answered with literature research and expert interviews.

1. *How do the public broadcasters target the 13 to 19 year olds?*
2. *How do recent developments in media technology influence the 13 to 19 year olds?*
3. *What is the current viewing behavior of 13 to 19 year olds?*
4. *Do the public broadcasters adjust to the changing environment?*

The policy question is

*How can the public broadcasters improve their reach among 13 to 19 year olds?*

This will be answered by combining the desk research with the expert interviews.

#### **1.4 Operationalization**

This dissertation will be using United States spelling and grammar. Sources will be mentioned according to the style of the American Psychological Association (APA).

Teenagers will be the main focus of this research. For this research this target group will consist of all 13 to 19 year old inhabitants of the Netherlands. The 10,11 and twelve year olds are not included, because they belong to the 6 to 12 group in the ratings research (Stichting KijkOnderzoek, 2009).

Broadcasting is a one-way form of communication where a message is sent by one source to many people at the same time (Noll, 2007).

Dutch public broadcasters are funded by the government and can be seen as the counterpart of the private commercial stations. These broadcasters fall under the authority of the Ministry of Culture, Education and Science, who delegate it to the umbrella organization NPO (Rijksoverheid, 2010).

Audiovisual content consist of moving images combined with sound. It can be displayed on televisions, computers, cinema screens, etc. (Noll, 2007).

#### **1.5 Restrictions**

To give a good overview of the broadcasting landscape, interviews with experts from private commercial broadcasters would have contributed greatly. This was impossible, because these broadcasters were either unable or unwilling to cooperate. It would have also been interesting to get the opinions of the teenagers themselves. After some exploratory research on a secondary school in Utrecht, the findings were unsatisfactory, though. Due to time constraints, it was not possible to create representative results.

#### **1.6 Purpose and rationale**

This dissertation aims at combining literature research with practical knowledge of media practitioners. It will explain why the reach of public audiovisual content among teenagers is low. It will offer a thorough analysis of Dutch public broadcasting and will place it in a wider international spectrum. The purpose is to find out, in what

way broadcasting is changing and finding ways act on these developments. This dissertation will offer practical solutions for the Dutch broadcasting industry and will give a thorough overview of the broadcasting landscape.

### 1.7 Structure of dissertation

The dissertation will consist of six main parts:

1. Research Method: The structure of the research will be explained.
2. Theoretical Framework: The theories the research is based upon will be explained.
3. Literature Research: An overview of the desk research.
4. Expert Interviews: An overview of the interviews with media practitioners.
5. Conclusion: The findings of the two types of research will be explained.
6. Advice: A practical advice will be formulated for the Dutch broadcasting industry.

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## 2. Methodology

The research will consist of two parts: literature research and expert interviews. This report was written after the research was done (*ex ante*). In these two research methods, public television will be studied within five main themes: (1) Market & Consumer, (2) Technology, (3) Business & Management, (4) Finance & Economics and (5) Policy & Regulation. These themes will be used to spot strengths and weaknesses of public television.

### 2.1 Literature Research

Desk research will be done to create an extensive overview of the literature. It will also serve as preparation for the expert interviews. After the interviews, the desk research will continue. The five themes will be covered. The library research will be done in the university libraries of the University of Applied Sciences Utrecht, the University of Utrecht and the University of Amsterdam. The rest of the research will be done on online catalogs and the search engine Google.

### 2.2 Expert interviews

Fourteen media experts were contacted in the Dutch television industry for interviews. A leaflet was made to explain the research to them and invited them for an interview of approximately 45 minutes at a location of their choosing. The following experts were contacted:

- Three from the umbrella organization NPO,
- Four managers at public broadcasters,
- Three experts at commercial networks,
- Four external specialists.

Two days after sending the leaflets per e-mail, the experts were contacted by telephone. The response was quite positive at the public broadcaster side, but the commercial networks were not able to cooperate. The interviews will be held in Dutch, but the quotes will be translated in English. The original Dutch interviews will be included in the appendices. In the end, six media experts were interviewed for about 30 to 60 minutes each (in alphabetical order):

1. Joël Batenburg – NCRV - Chief Editor Television and Project Manager of Stand.I9.
2. René van Dammen – NPO – Ratings Expert at Department of Media Research & Advice.
3. Maarten van Dijk – BNN - Head Program Development.
4. Diederik Hoekstra – VPRO - Marketing-manager Brand & Programming.
5. Roek Lips – NPO - Channel Manager of Nederland 3.
6. Cathy Spierenburg – Mediasmarties - Program manager, broadcasting person of the year 2002 and creator of children channels Z@pp and Z@ppelin.

### 2.3 Focus groups (Canceled)

To study the media usage of teenagers, focus groups were chosen. This qualitative research makes it possible to gather perception and opinions about the research topic. Focus groups were held at the Saint Bonifatius Catholic Secondary School in Utrecht. One group of five participants and seven individual interviews were held. The students answered questions about their television and Internet usage. The participants were all in pre-university education and about 13 to 18 years old.

This part of the research was canceled after an unsuccessful trial. Some students that were used for the research were forced by the dean to partake in the research and were not very cooperative. Other students that were approached on an individual voluntary basis were not very talkative either. Due to the short period of time for this research, representative research results were unlikely, so the focus of the research switched to the literature research and expert interviews.

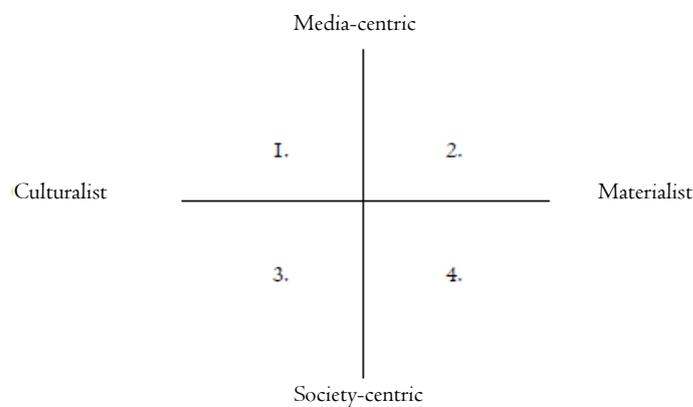
### 3. Theoretical Framework

In this theoretical framework an introduction to communication and media research will be given. The term network society and the five factors for shaping the future of media will be explained.

#### 3.1 Mass Media Theory

McQuail (2005) describes several approaches to media theory. These approaches are based on two dimensions: media-centric versus society-centric and culturalist versus materialist. The media-centric approach concentrates on the media and assigns a lot of autonomy and power to communication. It sees the technology-driven media as tools for social change. The opposite approach, the society-centric, sees media more as a reflection of economics and politics, more as a mirror to society. The second dimension divides the media theories in theorists that are interested in culture versus the ones that are interested in materialist forces. With these two dimensions a matrix can be formed that describes four perspectives (see figure I).

Figure I: Approaches of Media-Theory



1. Media-culturalist: focuses on the form and content of media messages and their impact on people.
2. Media-materialist: emphasizes the financial, organizational and technological aspects of the media.
3. Social-culturalist: focuses on the influence of social factors on media productions.
4. Social-materialist: sees media as a reflection of political-economic and materialist forces.

In this dissertation the media-materialist perspective will be used, since different aspects of the medium television will be studied.

McQuail (2005) mentions five kinds of theory that are relevant in mass communication. He describes them as social scientific, cultural, operational, normative and everyday theory.

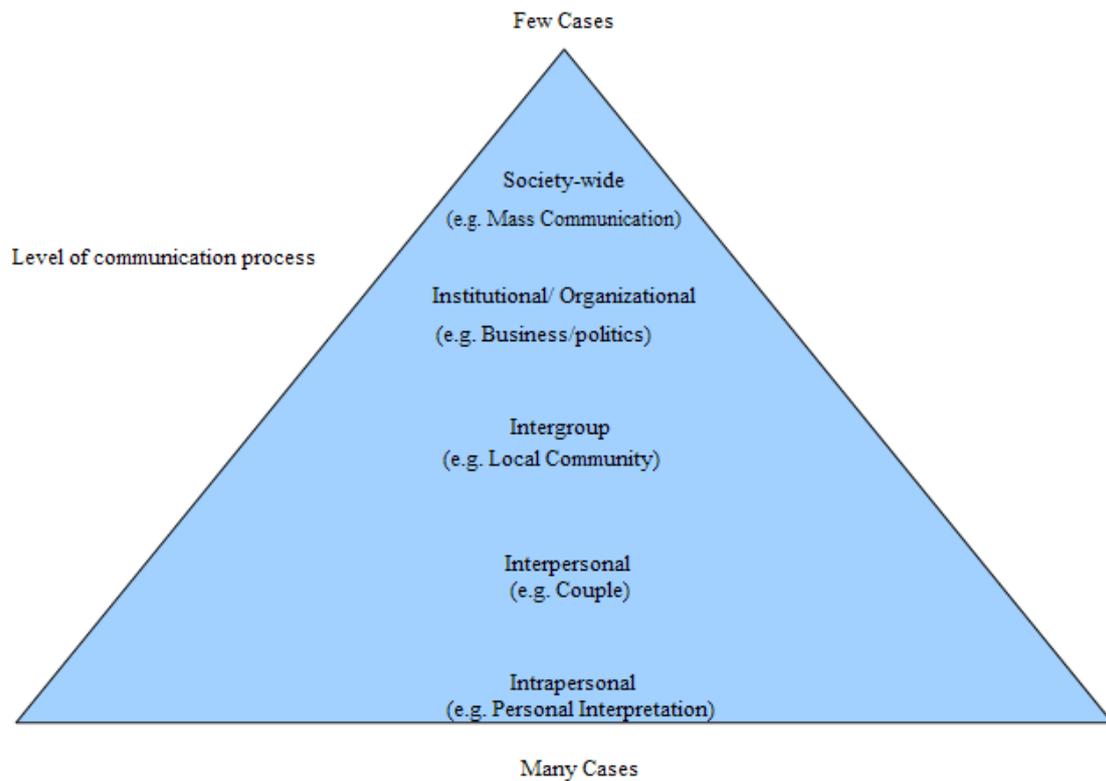
1. Social scientific theory is about the nature, effects and working of mass communication. The theory is mostly about what is going on, practical application of media and sometimes offers critiques on media.
2. Cultural theory is very diverse. It is more about the meaning of cultural texts or about contesting the assumptions made by people about quality of media.
3. Operational theory is about the practical ideas that are applied by media practitioners. This science is about offering solutions to certain problems. Quite like the research done at universities of applied sciences.
4. Normative theory describes how media should operate according to certain social values. These theories stem from broader social philosophy and ideology and are objective in nature.
5. Common sense theory is used by general people to understand the media as a whole. They use it to decide what channel they want to watch and how they should interpret a media message.

In this dissertation social scientific theory and operational theory will be used.

### 3.2 Network Society

Mass communication can be seen as one of the communication processes within society (McQuail, 2005). Communication occurs on different organizational levels in society, from reaching the masses with a radio broadcast to sending a close friend a letter. These different levels can be placed in a communication pyramid of occurrence (see figure 2), where the lower levels are the most commonly used forms, like person to person, and the upper levels consist of the less common used forms of communication, like society-wide broadcasts. Almost every modern society has a communication network that reaches and involves citizens on all levels. These networks offer means to exchange and deliver a flow of messages, connecting most or all members of a certain group. In the past, only the state, the church or political organizations were able to apply society-wide communication in a hierarchical vertical top-down way. The regular citizen was usually only able to communicate on the lower levels of the communication pyramid and communicated horizontally, on its own level. Due to time and space constraints, it was almost impossible to reach a lot of people, society-wide. Each level could be identified with a certain medium. Television was at the highest communication level, followed by the written press and radio, all the the way down to a telephone call. With the increased number of communication tools and the bigger reach the network is less top-down. People can communicate vertically, horizontally and diagonally on multiple levels of the pyramid. The network society emerged (Castells,1996). Networks were no longer confined to a certain level. The Internet was not a medium that belonged to a certain level of the pyramid. Everybody started using it as a tool to communicate. The traditional media still operate from their old communication levels, but their monopoly on those levels is no longer unchallenged.

Figure 2: Pyramid of communication occurrence



### 3.3 Survival of the fittest

McQuail (2005) states that mass communication will not be swept away in the future, replaced by something new. It will be a revolution, but not one that changes media fundamentally. He describes five important factors that will affect the change in communications and the chances of survival for mass media:

1. **Technology:** New communication technologies offer features that will give the opportunity for individuals to select their own content. Instead of the one-way broadcasting it is possible to have two-way communication. The consumer can select what content when to watch. The new media will still be shaped by the old media, so it will be hard to spot these changes in the beginning. Most new media will first show up as extra options, like an mp3-player in a mobile phone, but will slowly be adopted by users. Old media has mostly reacted, defensively to these developments and in some cases colonized the new media as an extra distribution channel.
2. **Audience:** With the multiplication of channels, audiences have fragmented. Viewers watch programs individually and households acquired more television sets. Sporting, political and cultural experiences are still important social events. The increased supply of content has created a greater need for editors and gatekeepers.
3. **Media-market:** The old mass media opened up an extra part of the economy. It can be expected that new media will enlarge the market instead of pushing the old players out of the game. The reactions of old media about the new interpretation of intellectual property will be a challenge to overcome for new media.
4. **Political:** The emergence of mass media changed the political landscape drastically in the early twentieth century. Mass media became an essential instrument for a politician to get elected. The new media are likely to become somewhat important, but will not quickly replace mass media.
5. **Collective social:** The traditions of a society do not change quickly. The new media will add to the collective social experience, but are unlikely to replace the shared experiences that mass media offer.

### 3.4 Five Factors for shaping the future

To analyze the future of television a variant of the factors of McQuail (2005) will be used. The five factors for shaping the future by the researcher Noll will be used (2007). These five factors can be used as a methodology to predict the success of a medium. When a medium scores high on these factors, it is likely that it will be adopted by the masses. In this research I will not use these scores, but I will use it as a guide to find strengths and weaknesses. The basic idea is that scoring low on one of these factors can mean that all the other scores become meaningless. It is important to strengthen all the factors. The five factors are:

1. Consumer & market,
2. Technology,
3. Business & management,
4. Finance & economics,
5. Policy & regulation.

These five factors all have a probability of success (p) between 0 and 1. Multiplying the five factors, gives a good estimate for the success of a medium. When one of the five factors fails and is zero, the only possible outcome for the equation is zero. These probabilities can be estimated by talking to experts. To show how these predictions work, two mediums will be analyzed according to this probability tool. Table 1 will show the total prediction of success. In the early nineties a telephone system was setup where communication satellites in low orbit provide coverage for a telephone network (LEO). Although four billion dollars were invested in this project, it failed commercially. The New York Times reported on the failure: "Iridium LLC, the bankrupt global satellite telephone company, will begin sending 88 giant satellites spiraling toward Earth, where they will burn up in a fitting and fiery end to one of the colossal corporate failures in recent memory." (Barboza, 2000). Looking at the five factors this failure could have been predicted (Noll, 2007).

1. **Consumer & market:** Wireless cellular telephones were already being adapted by consumers, so there was no incentive to use the LEO wireless service. The probability is 0,1.
2. **Technology:** The technology was very complex and costly. The system encountered a lot of problems as the

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satellites passed by so rapidly, that the call had to be switched from orbiting satellite to satellite. The probability is 0,5.

3. Business & management: Motorola invested in the American company Iridium LLC to develop the technology. They lacked a cooperation with a company that could sell the product. The probability is 0,8.
4. Finance & economics: The system would be very costly, because the satellites had to cover the entire earth's surface. Considering that the earth is covered with water for about 70%, satellites would not be used efficiently. The probability is 0,3.
5. Policy & regulation: The global system would have been licensed by all the countries that use it. It is quite unlikely that all the governments will cooperate when such a system is based in the United States. The probability is 0,3.

The total probability for the LEO wireless service is  $0,5 \times 0,3 \times 0,3 \times 0,8 \times 0,1 = 0,004$ . The system failed, because the consumers weren't interested in the product, regulation was too complex and it was too expensive. The outcome will be compared with that of the DVD in the table below (Noll, 2000):

Table I: Probabilities of success LEO and DVD

Medium	Consumer	Technology	Business	Finance	Policy	Overall
LEO (in p)	Unnecessary (0,1)	Uncertain (0,5)	Pretty good (0,8)	Costly (0,3)	Issues (0,3)	Failure (0,004)
DVD (in p)	OK (1,0)	OK (1,0)	OK (1,0)	OK (1,0)	OK (1,0)	Success (1,0)

This example shows that it is very hard for a new medium to be a success as one low score will break the chain.

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## 4. Literature Research

The desk research aims at providing an overview of the literature for the five themes of the dissertation: (1) market & consumer, (2) technology, (3) business & management, (4) finance & economics and (5) policy & regulation.

### 4.1. Consumer/market

The consumers, managers and government have to adopt a medium in order to become successful. The money/time they spend usually goes at the cost of other media usage. This means that in some cases an increase in internet consumption might go at the cost of television time (Noll,2007). It is also a possibility that consumer attention will be divided over several mediums at once. TV is not the one that loses most attention, though: "Television is supreme at holding the attention of a large number of people for long periods. Other gadgets divert people from the box, but not nearly as much as TV diverts them from all those other gadgets" ("Changing the channel", 2010, p.16)

#### 4.1.1 The consumer is in control

Viewers have more control over television than in the past. The old video cassette recorders have been replaced by digital video recorder and DVD players. There is a growing amount of video-on-demand available through cable and satellite subscription. In general, viewers feel less pressured to sit in front of the television when a program airs, because they will not necessarily miss it. These developments did not mean that the viewing behavior dramatically changed. Even in Great-Britain, users of the personal video recorder Sky+ that allows viewers to record almost everything, still watch 85% of television live. Of the shows that are recorded, 60% is watched within a day. Delayed viewing on the Internet shows the same behavior. The online viewing of television shows on the German streaming website RTLNow peaks within a day after the program was aired. Research of MTV shows that with the rise of households with two earners, the shared viewing experiences with the whole family are valued higher. It also seems that a big part of the delayed television watching is a consequence of competition between broadcasters. When two popular shows are aired at the same time-slots, viewers watch one show live and the other one afterward. It seems that people expect more from television, but their viewing behavior did not really change ("Changing the channel", 2010).

#### 4.1.2 Audiences

The audiences of television are usually measured with quantitative research (Schulz, 2002). A representative part of the population is monitored with measuring systems like set-top boxes. The basic concepts for the ratings research are:

Television ratings: Rating of a percentage of the total population that was watching a program or a commercial break at a specific time. These can apply to individual viewers or household. These percentages will be multiplied by the total viewing audience to get the total number of viewers.

Share: The percentage of the population that watch a certain show of the total amount of people that are watching television at that time.

Amount of viewing: Average amount of time a person spends watching television a day.

Reach: The amount of people that watch a certain show on average.

Frequency: The average amount that viewers have been exposed to a media message.

Appreciation index: Used in some countries to measure programs on a scale (e.g. 0-100).

#### 4.1.3 Teenagers

In the Netherlands, teenagers, or the 13-19 year olds, consists of 1,4 million individuals what is about 8,5% of the Dutch population (Centraal Bureau voor de Statistiek, 2010). Lemish formulated five main principles when studying children, or the 0-18 year olds (2007).

Principle I - Age: An important indicator of the development of cognitive, emotional and behavioral skills and their accumulated everyday experience with media.

Principle 2 – Gender: A central predictor of the relationship with television.

Principle 3 – Context: The social-cultural context is important in the understanding of the meaning of television in teenager's lives.

Principle 4 – Content: It is not only the amount of television watched that predicts the centrality in the lives of teenagers, but the diverse forms of content that are offered.

Principle 5 – Potential: Television is not the “devil” or the “messiah”. It is just a medium with a lot of potential and a range of positive and negative influential factors.

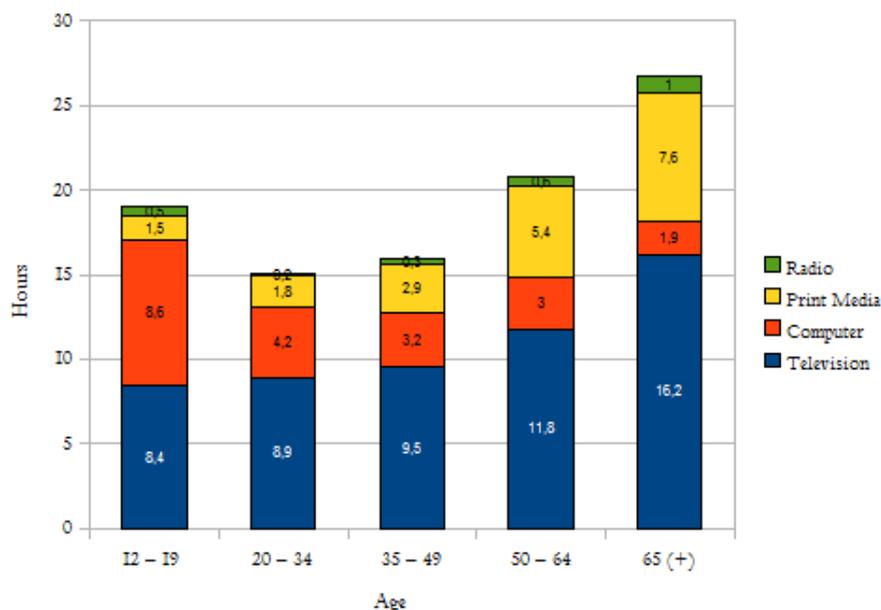
There has been a lot of debate about the ways children can be reached with television. Over the world it has been a struggle to find the right balance between “pleasure” or “knowledge”, “high” or “popular” culture and paternalistic or liberal approaches. Teenagers are growing up in a global screen culture, where they are mostly entertained by television programs originating from the United States. In a lot of countries this has been supplemented with shows that focus on cultural preservation of that particular country. Teenagers seem to be quite capable of distinguishing between foreign and local television (Lemish, 2007).

#### 4.1.4 Media usage in the Netherlands

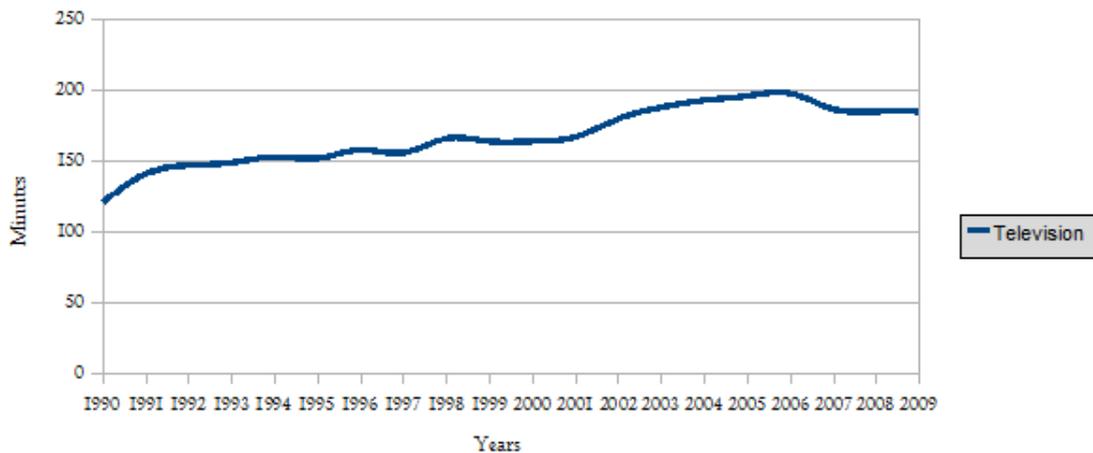
The mass media culture emerged in the Netherlands in the 1930's. People were able to spend their free time, watching the same movies and listening to the same radio programs, individually. This mass culture reversed with the introduction of the world wide web in the 1990's. People started purchasing computers to gather information and communicate. During this period, the telephone changed from a fixed communal device to a mobile individual technology. The mass audiences of television, radio and newspapers became fragmented and harder to reach (Huysmans, de Haan, van den Broek, 2004).

Over the last 35 years, Dutch society has undergone four social-structural trends. The first trend, demographics, is the population growth, the aging population and the influx of large populations of immigrants. The second trend is the higher degree in education. Adults continued on studying and women emancipated by increasing their level of education. The third trend is the increase in time pressure. People have less free time to spend, since the number of women increased in the workplace and men started to play a bigger role in the household. The final social-structural trend is the increased prosperity. Although, people had less free time to spend, their leisure expenses rose by 80% between 1975 and 2000. This enabled people to buy their individual media devices. It is not uncommon for children to have their own mobile phone and television set (Huysmans et al., 2004).

Graph 3: Media usage in the Netherlands (in hours per week)



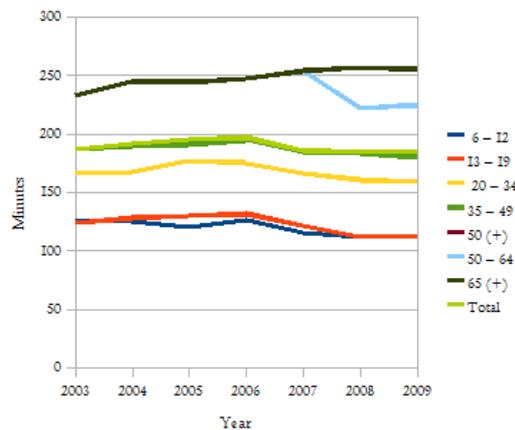
Graph 4: Daily Television viewing (in minutes)



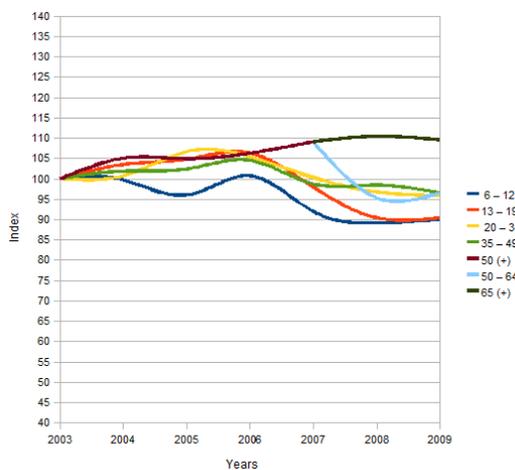
The Dutch society has also undergone five social-cultural trends over the last 35 years. First, the Dutch individual became less dependent and individualized. People were less likely to stay in the family-trade, the number of single-person-household started rising, couples married at a later age and family members were less likely to spend leisure time together. Second, Dutch people became less formal and hierarchy was not as strong anymore. The hierarchical structures in companies changed into networks where everyone is equal. Third, information and communication technology became common good. Affordable computers enabled people to go online and share information with each other. Information became digital and was spread easily. Fourth, the national perspective changed to a global perspective. Dutch people became more mobile and visited and communicated with people from around the world. Finally, the Dutch longed for more intensive experiences. They want more than a tangible product, they want an experience (Huysman et al., 2004).

Media usage varies between age groups in the Netherlands. A study by the Dutch Social Cultural Planning Agency shows that television and print media usage increases by age, while the younger age groups use the computer more than the older groups. Graph 3 shows the media usage of all groups (Breedveld, Van den Broek, De Haan, Harms, Huysmans & Van Ingen, 2006). The television ratings in the Netherlands are monitored by the Dutch foundation Stichting Kijkonderzoek (SKO, 2003, 2004, 2005, 2006, 2007, 2008, 2009). As graph 4 shows, daily television viewing has risen with about 50 per cent, since the early nineties. During the last decade this trend halted at 200 minutes a day and after a decline finally stabilized at around 180 minutes a day. The 2006-2007 decline is

Graph 5: Total daily television viewing (in minutes)



Graph 6: Daily television viewing, Total (2003 = 100%)



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mostly due to a change in measurement standards called the golden standard. (Rietberg, 2009, p. 160)

To study this stabilization the ratings of 2003 till 2009, the years around the peak of 2006, have been arranged by age group. As graph 5 shows, the older age groups watch about twice as much television as the younger age groups. The 20-34 and 35-49 age groups are somewhere in the middle. These numbers might lead to the assumption that the older people get, the more television they watch. This assumed stability turns out to be false when the changes in viewing behavior of the age groups are studied. The average 180 minutes are not stable when looking at the different age groups. Graph 6 shows the change in television viewing per age group since 2003. Although the older age groups continue to watch more television, the younger audiences even this out by watching less television. This leads to the conclusion that the older age groups continue to watch more television. The other age groups follow an opposite trend, creating in a schism between the audiences. Television is turning into a medium for older age groups. Graph 7 shows that these trends are even stronger for public television. The younger age groups watch around 10 to 20 per cent less television, while the 65+ age group watches around a third more than in 2003. Graph 8 shows the development of viewer ratings for the commercial stations. Although the commercial broadcasters experience the same development, their viewer groups all follow the same kind of decline. There is no gap between the older and the younger audiences (SKO, 2003, 2004, 2005, 2006, 2007, 2008, 2009).

As the figures above show, the media usage is changing. For the 13-19 age group a lot has changed over the last decade.

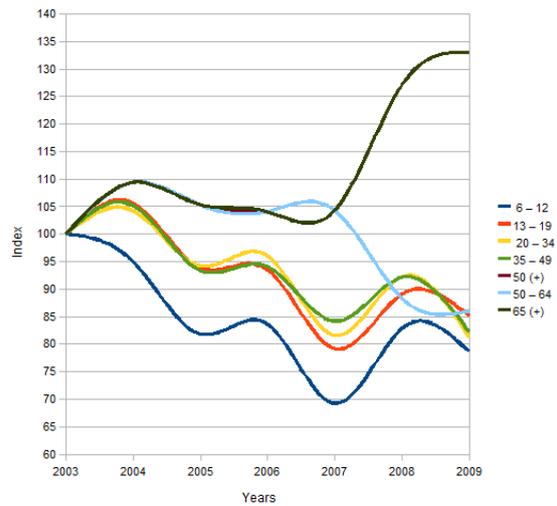
It was possible to receive calls on mobile phones, using the Internet became common and free newspapers entered the playing field. The time 13-19 year old spend on-line has doubled between 2000 and 2005. Despite all these changes, they do not spend more time on media in general, however (Van Vliet, 2009).

#### 4.1.5 Target groups of Dutch public Broadcasting

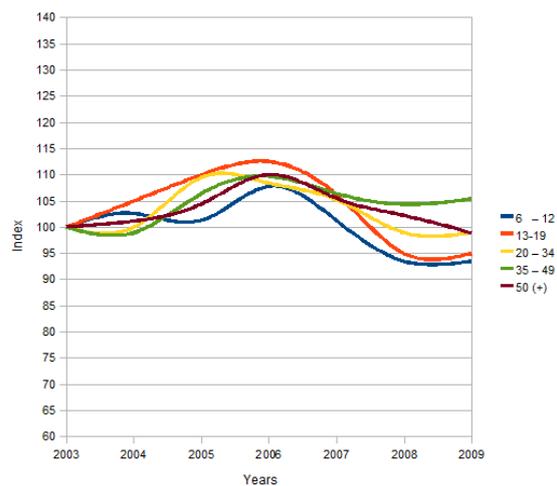
The NPO has eight main target groups that are selected for their lifestyle, so called lifestyle-groups. The groups vary from viewing behavior to political stance. These eight groups are guides for program developers, channel managers and broadcasters in their targeting. Only one of the lifestyle-groups, the Ambitious Reveler, applies to the teenager audience. The public broadcasters perceive this group as slightly uninterested and low educated. The Viewing and Listening Research Department (Kijk en Luister Onderzoek) of the NPO constructed the following eight lifestyle groups (Kijk en Luister Onderzoek, 2008):

- Ambitious Reveler: Slightly uninterested group that is low educated, since most of them are still getting their degrees, with an average age of 20.
- Carefree Excitement-seeker: Interested in science, sports and economics, mostly men (94%), above average social

Graph 7: Index Television viewing of public broadcasters



Graph 8: Index Television viewing of commercial broadcasters



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- class and income and an average age of 37.
- Caring Educator: Opposite of the carefree excitement-seeker, very interested in medical issues, upbringing and fashion, mostly female (85%), with a slightly above average education and an average age of 38.
- Concerned Citizen: Relatively interested, low educated people with an average age of 47.
- Convenience-seeking Citizen: Relatively uninterested, low educated people with an average age of 56.
- Participatory Citizen: Very interested in culture and politics, highly educated, an above average income and a medium age of 56.
- Steadfast Believer: Highly interested in religious issues, with a social class and education level that is below average and a medium age of 58.
- Tolerant Cosmopolitan: Open-minded, highly educated person with an average age of 36.

The lifestyle-groups are divided among the main three channels in the following way (NRC Handelsblad, 2008):

Nederland 1: Convenience-seeking Citizen, Caring Educator and Concerned Citizen.

Nederland 2: Steadfast Believer, Participatory Citizen and Tolerant Cosmopolitan.

Nederland 3: Ambitious Reveler, Carefree Excitement-seeker and Participatory Citizen.

## 4.2 Technology

Technology is an important factor when predicting the success of a medium. The most dominant trends are the advances in digital computing technology. Smaller devices have more computing power and are becoming less costly at the same time. Innovations in technology have to be adapted to be ready for mass use. Most users are not interested in the knowledge behind the technology, but they want to be able to use it without too much adaptation (Noll, 2007).

### 4.2.1 Television

The idea of electronically transmitting images dates back to 1835, when obscure machines by names like Praxinoscope and Stroboscope created the illusion of motion through slots and mirrors (Mellor, 2000). The illusion of motion is created by showing a sequence of at least 18 still images per second which is perceived by the brain as moving. This illusion survives till this day. In 1881, British researcher Shelfold Blackwell invented photo-telegraphy, sending a scanned image of a silhouette over a selenium cable. The German Paul Nipkow further developed this principle by creating a device, a spinning disk with a series of holes arranged in a spiral that was capable of sending multiple images, in 1884. This was the first system that was capable of breaking up the image into elements, pixels so to say, arranged in horizontal lines. Although he was never able to produce a complete working model, it was a big leap forward in the evolution moving images transmission. A Scottish scientist, John Logie Baird, used the basics of the Nipkow disk in the 1920's to develop a system that was capable of sending the first television signal over a telephone line in 1927. At the same time, an American scientist, Charles Francis Jenkins, had developed a similar system. Both these systems were incapable of sending high quality images, but were mostly capable of sending silhouettes, though. The television had to become an electrical device. This next step involved two key players as well, a young student Philo T. Farnsworth and scientist Vladimir Zworykin. The young Farnsworth had followed the progress of television since his youth and thought the Nipkow disk would not be the solution. He developed an all-electronic that split up the image into straight lines, projecting it into a vacuum tube. As the child of a potato farmer he reportedly got the idea while plowing a field. Trying to get backing by a research lab, the RCA, he showed his invention to Zworykin. The scientist used the ideas as a guide to develop a television system of his own. Farnsworth sued the RCA and after years of legal battles received a million dollars in licensing fees. In the 1930's and 1940's the TV was further developed, but it only really caught on after the Second World War. Color television was already introduced at the World Fair of 1939, but due to high costs, it took till the mid 1960's before the system was adopted by the audience (Anderson, 2007). The television was widely adopted by consumers in the Netherlands. Already in 1975, almost everybody (96%) owned at least one television. Since then, the amount of households with more than one television rose from 6% in 1975 to 54% by the year 2000 (Huysmans, de Haan, van den Broek,

2004).

#### 4.2.2 Developments in audiovisual distribution

Two important distribution developments over the last two decades have changed the nature of broadcasting: the arrival of cable, satellite & digital compression and the developments in the encryption/decoding technologies that enable direct payment from viewers (Doyle, 2002). In the Netherlands about 79% of the households was connected to cable in 1990. By 2000, this had grown to about 91% (Huysmans et al., 2004). The coming developments are online, high definition, mobile and three dimensional television.

##### 4.2.2.1 Online television

Video content on the Internet can be placed in files and distributed on the world wide web. Over the last decade Internet bandwidth grew by 50 per cent a year. This made the files, once perceived as not distributable due to their size, suddenly mobile. The most popular way to spread video content over the Internet is called streaming. Streaming video uses a buffer to almost instantly show video material, while the rest of the video is still getting downloaded. The benefits of broadcasting over the Internet for a broadcaster are that: (1) it is much easier to get to know the audience now they leave data trails while surfing the Internet, (2) it is possible to spread more specific content to narrower audiences and (3) it is possible to supply old and new television shows on demand. For the user it has several benefits as well: (1) they have access to a much larger and more diverse amount of content and (2) users are able to watch it according to their own schedule instead of the rigid program schedule of normal television (Okin, 2007).

##### 4.2.2.2 High definition television (HDTV)

High definition television is “aimed to provide a noticeably higher quality level of display for observers, because HDTV offers a higher resolution signal compared to standard television” (Joor et al., 2009, p. 2).<sup>1</sup> This better quality means the data that has to be transmitted is larger and therefore more expensive. To experience this enhanced quality, the user has to purchase a Full HD Television and a special sometimes already built-in receiver (Noll, 2007).

##### 4.2.2.3 Mobile Television

The old telephone system is point-to-point telecommunication over copper wires. The first attempts of mobile communication in 1983 by Bell Labs were very limited and costly, but spurred the development of better systems. This resulted in the first generation (1G) of mobile phones that was adopted by a small public: the cellular networks. This system enabled people to maintain a telephone call when they were mobile by transferring their call to another 'cell'. The second generation of mobile phones (2G) were based on digital networks. These emerged in the 1990's and were a big success. The big difference was that this enabled the transmission to go from an analog signal to a much more efficient and cheaper digital signal. The third generation (3G) was not so much a large technological difference, but the bandwidths increased. These advancements in the mid 2000's made it possible to access the Internet over the telephone. The latest generation (4G) further increases this capability of mobile Internet and also makes it possible to send voice calls and images over the same channels as the Internet. This means the phones are capable of receiving television programs (Noll, 2007). Although there are 18 million wireless telephone subscribers in the Netherlands in 2010, only about 70.000 people or 0,4% used it to watch mobile television. It is expected that this will grow to about 370.000 subscribers by 2013 what is about 2% of all subscriptions (Pricewaterhousecoopers, 2009).

##### 4.2.2.4 3D Television

3D technology dates back to the stereoscope viewers in the 1900's that made it possible to see a picture with depth

<sup>1</sup> Standard television offers a video mode of 576i (625 horizontal lines) and an aspect ratio of 4:3, while HDTV offers a video mode of 720p, 1080i or 1080p (720 to 1080 horizontal lines) and an aspect ratio of 16:9.

by looking at two identical pictures through special glasses. The television system works with the same principle. Two cameras shoot a certain scene from a slightly different point-of-view, mimicking the way the human eye works. These two pictures are sent to the television screen and displayed at a frame rate of 120 frames per second to create a blurry image. Special glasses enable the viewer to experience depth in the 2D image. They are still quite expensive, so it will probably take till the end of the 2010's, before the 3DTVs will be massively adopted by audiences (One Touch Intelligence, 2010).

### 4.3 Business/management

A management structure within a broadcaster is necessary to facilitate the program developers. They have to deliver the services and products to the consumers and handle the money flows. In the media industry the biggest trend of the last years were the merger of big media firms (Noll, 2007).

#### 4.3.1 Media Supply Chain

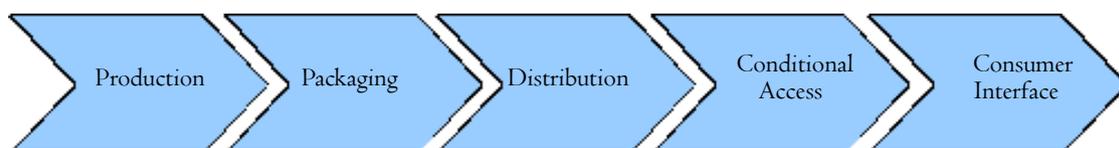
Media content production can be seen as a process with four stages, the media supply chain (Brussee & Hekman, 2009). This chain describes the way information and ideas are packaged into media products that are distributed to consumers. In the first creation stage, media content is created by writers, journalists, producers, etc. In the second aggregation stage, the content is collected, packaged and branded by editors into a marketable product. In the third distribution stage, the media content is delivered to the media consumers who consume the content in the fourth consumption stage.

Figure 3: The Media Supply Chain



The supply chain for television involves five key stages: (1) Production, (2) Packaging, (3) Distribution, (4) Conditional Access and (5) Consumer Interface (Doyle, 2002). During the first creation stage, the production companies create a television show by combining actors, scripts and studios. In the second aggregation stage, the transmission rights are sold service packagers that assemble all kinds of shows into program schedules. The broadcasters distribute the shows in the third distribution stage to the viewers. The fourth conditional access stage is not always in place, but can be used for pay-television where a viewer does pay directly to see a certain channel. In the final consumer interface stage, the content might be influenced by the way it is consumed. Somebody who watched the content on a television might have a totally different experience from that of a mobile phone user.

Figure 4: Supply Chain for Television



#### 4.3.2 Developments in distribution

The development of cable, satellite and digital compression techniques has changed the television market. It was much easier to enter the television market, so the rigid old monopoly suddenly encountered competition from new entrants. The amount of channels grew exponentially and went into the 100's in the United States. In the UK, the market share of the BBC went from a 100 percent in 1980 to about 70 percent in the year 2000. This meant that the broadcasters no longer had a monopoly and the producers suddenly had more bargaining power. The second

important technological development was in the encryption and decoding technologies. Some broadcasters could switch to narrowcasting now and reach a select group of people, the consumer surplus, that were willing to pay more for their programming. The direct payment enabled the broadcasters to invest in specific programming that would have been too expensive to be broadcasted to a mainstream audience (Doyle, 2002).

#### 4.3.2.1 Online television

Online television is the distribution of television content over the Internet. A couple of years ago, the idea seemed far-fetched. Lately this changed, though. British users of the online player of the BBC, iPlayer, request about 120 million programs a month and Hulu, a website that offers content from three big American broadcasters, streams more than one billion shows in December 2009 ("Changing the Channel, 2010).

In the Netherlands, the NPO is taking steps in the field of Internet television. Small production companies like Submarine take it very serious, but bigger companies like Eyeworks are hesitant. The cable companies do not seem to be interested in Internet television. It is likely that international companies will step in to get a share of the Dutch market. Peter Deumer, who wrote his Business Informatics Master thesis on digital and Internet television, thinks the Internet will become an important vehicle for video and television content. He thinks Internet TV will grow, but doesn't expect people to desert regular television due to its lean-back nature (Nieuwenhuizen, 2009).

Alexander Klöpping (2010), a Dutch blogger and Internet journalist, is of the opinion that the current Internet strategy of the Dutch public broadcasting is outdated and acts more as an archive. Most of the technologies are developed by the broadcasters themselves instead of using already existing and successful techniques. He thinks they should follow the examples of Google and Apple who opened up their software and made it open source. In that way, everybody will be able to contribute to it. He thinks the online ventures of public broadcasting could be much more successful if they would be more innovative.

On May 20, 2010, Google announced it will launch an Internet television service in the third quarter of 2010 (Google, 2010). The service will be called Google TV and "is a new experience for television that combines the TV that you already know with the freedom and power of the Internet" (Google, 2010, para. 3). This service will link a television up with the Internet and this, according to Google, "opens up your TV from a few hundred channels to millions of channels of entertainment across TV and the web" (Google, 2010, para. 3). It will be possible to use Google as a search tool instead of a program guide. Google cooperates with Sony and Logitech to put the service into televisions, Blu-ray players and companion boxes.

#### 4.3.2.2 High definition television (HDTV)

HDTV is "aimed to provide a noticeably higher quality level of display for observers, because HDTV offers a higher resolution signal compared to standard television" (Joor et al., 2009, p. 2). Switching to an HD signal is a very expensive transition. In the United States the results of the switch were unsatisfactory and did not generate high revenues ("Changing the Channel", 2010).

In a recent Dutch study (Joor et al., 2009), it turned out that the participants were unable to see the difference between Normal Definition and High Definition television. When a viewer expects to see high definition, he will perceive it as such.

#### 4.3.2.3 Mobile Television

Mobile television has caught on in Japan and South Korea, but is not a financial success. Advertisers are not interested in the mobile audiences, because they are still relatively small. Strangely enough, most users do not use it in the train or on the bus. They use it as an extra television set at home, when they want to watch a show no other family member wants to see ("Changing the channel, 2010). Watching television on mobile devices has not caught on in the Netherlands yet. In a recent Finnish study, funded by Finnish telecommunication companies (Kaasinen, Kulju, Kivinen & Oksman, 2009), 27 volunteers tried mobile television for seven months. The mobile content consisted of the direct transmission of three current TV channels and add-on content like discussions and news backgrounds. It

turned that about half of them used the system more than once a week while commuting or in the family home. The users saw the mobile television as an extension to ordinary TV that enabled them to continue watching a program after leaving their homes. News was experienced as the most interesting content and entertainment was seen as most valuable. The users saw the freedom of not being bound in front of the home television as the best feature and furthermore liked the possibility to watch television without disturbing the rest of the family and as a good way to kill time while commuting. The limited coverage and the long loading times were seen as the biggest hurdles.

#### 4.3.2.4 3D Television

The first developments of 3D TV were not promising, but after the success of the 2009 hit movie “Avatar”, consumers and the industry seem to be more positive (One Touch Intelligence, 2010).

In the United States, almost all of the broadcast networks are supporting 3D technology. The first steps to broadcast in 3D are taken with Major League Baseball games. Besides sports, movies will be the second form of television content that might be most successful. The broadcasters are still hesitant, though, after the disappointing revenues of HDTV. The first major hurdle will be the creation of new contracts with the sports leagues. The second will be the expensive technical costs to broadcast 3D signals. It is expected that TV-stations will gradually move into 3DTV.

### 4.3.3 TV broadcasting in Europe

With the exception of Luxembourg, where commercial television has been possible since the introduction of television, most European television started as a public service. Most European television before the 1980's was based on the idea that the content had to serve the public interest. This meant the content had to contain an implicit assumption or explicit reference to diversity and quality, targeted at everybody while not neglecting minorities. The television in public interest was generally guaranteed by mechanism that were installed by governments. Contrary to the press, that was driven by capitalist forces, television was state driven for two reasons. First, there was a scarcity of air frequencies, so state involvement was necessary for fair allocation. Second, it is a derivative of the “welfare states”; the assumption of the time that the individual could only flourish when everybody, the collective, was taken care of. The state was not very involved in the content creation though, because in the post World War II era the image of Nazi Germany's propaganda tactics were still fresh in public memory. This resulted in an uneasy balance between editorial independence and political powers over finance and appointments. This situation was readily apparent in countries like Germany, Denmark, the Netherlands and Belgium, while the British, Irish and Swedish broadcasting systems were more distanced from the political sphere. During the last twenty years of the twentieth century, the broadcasting landscape has dramatically shifted in Europe. From only four commercial channels and 40 public channels in 1980, it shifted to 70 commercial stations and 60 public channels. Although some countries still block commercial channels from terrestrial broadcasting, the cable and satellite transmission opened up the market for private organizations. With this change, a lot of the public services allowed advertising and sponsoring to supplement budgets. Although countries like Denmark and Finland still largely rely on public funding, countries like Spain and Austria get most of their finance through advertising. The Netherlands relied for about 22% of their finances on advertising in 1999. With the entrance of private parties onto the television advertising market, public television lost its monopoly (Brandts & de Bens, 2000).

### 4.3.4 Dutch Public Broadcasting

The Dutch public broadcasters weakly reach on a population of 16,5 million citizens about 14 million viewers and listeners (NPO, 2010). The umbrella organization for Dutch Public Broadcasting is called the Nederlandse Publieke Omroep (NPO). The NPO determines strategy and scheduling in cooperation with the broadcasters. In their mission they state: “Public broadcasting is by everyone and for everyone. Public broadcasting creates a sense of cohesion in Dutch society by distributing informative, inspirational and entertaining programs.” (NPO, n.d). In its Concession Policy Plan for 2010-2016, the NPO announces the ambition to “become a wide public broadcaster that connects people, enriches their individual and surprises them with perspectives and ideas.” (NPO, 2010, p.4).

The important spearheads of the upcoming years are more art and cultural diversity on television. Besides these two goals, the NPO plans for television to construct recognizable profiles for channel 1,2 and 3. Channel 1 will be used to reach the large audiences, Channel 2 will aim at informative and background programming and Channel 3, the channel for younger audiences, will try to renew formats and stimulate new talent. The 13-19 audience will be engaged by creating program formats for adult audiences that will also appeal to them. There is a separate programming format, called Z@pp and Z@ppelin, that is aimed at the 0-12 target audience.

The broadcaster that specifically aims at young audiences is BNN. They want to give “within the media domain, a structural sustainable place and attention to young people (Age group: 15-35).” (BNN, 2010, p.3) It is the goal of BNN to reach, hit, inform, amuse, excite and to provoke thoughts for young people. They want to perform a bridge function between generations (BNN, 2010).

#### 4.3.5 The Dutch public broadcasting landscape

The landscape is very diverse and complex. The Dutch public broadcasting occurs on four mediums: radio, television, Internet and the mobile phone. Below is an overview of all the channels per medium and the broadcasters as the NPO sees it (Nederlandse Publieke Omroep, n.d.):

Media:

1. Radio: Seven different stations target their own target group each. The radio is transmitted over the airwaves, the Internet and to mobile phones. The seven channels:
    - Radio 1: The news- and background station. It mostly covers news, current events and sports.
    - Radio 2: A diverse informative and cultural music station.
    - 3FM: Music channel that targets 15-35 year olds.
    - Radio 4: Classical music station.
    - Radio 5: Music station for the above 55 audience.
    - Radio 6: Experimental music station that focuses on jazz, world music and literature.
    - FunX: Multicultural station for young people that only airs digitally and analogue in four major cities.
  2. Television: Broadcasted over the airwaves, cable and satellite. The audiovisual content is broadcasted by three basic channels, that share their slots with two channels for children and are supplemented by twelve digital channels and an Internet portal. The stations are:
    - Nederland 1: Broad programming for the average citizen.
    - Nederland 2: Channel that focuses on art and culture. The themes range from life and spirituality to politics and society.
    - Nederland 3: Channel for younger audiences that tries to renew programming.
    - Z@ppelin: Channel for 3-5 year olds that usually airs in midday.
    - Z@pp: Channel for 6-12 year olds that usually airs in midday.
    - 24: Umbrella name for the twelve supplementary digital channels.
    - Uitzending Gemist: On-demand website for television content.
  3. Internet: The Internet is described by the NPO as a full medium next to television and radio. In some cases it can be a place for crossmedial programming, but in most cases it acts as a supplement for programming and as a video-on-demand service.
  4. Mobile Phone: A mobile application enables people to watch television content on the mobile phone.
- Broadcasters: The public broadcasting is home to ten broadcasting associations, four task broadcasters and nine life and spirituality-based broadcasters (Nederlandse Publieke Omroep, 2009). They are:
1. Broadcasting associations: get time slots on television, based on their amount of members. These channels are founded on societal, cultural, religious or spiritual principles.
    - AVRO: Broadcaster that wants to stimulate freedom of expression.
    - BNN: Offers programming for 13-19 and 20-34 year olds.
    - EO: Wants to reach people with the Evangelic of Jesus Christ.

- KRO: Strives for a humane society based on the traditions of the catholic church.
  - LLINK: Wants to inspire people to strive for a free, honest and sustainable world.
  - MAX: Broadcasts shows for the 50+ audiences.
  - NCRV: Protestant broadcaster that focuses on tolerance.
  - TROS: Broadcaster that uses popular culture to reach big audiences.
  - VARA: Progressive station that wants to offer reflexive and new programming.
  - VPRO: Focuses on creativity, global citizenship, innovation and originality. It wants to cater the 'creative class'.
2. Task Broadcasters: Organizations that have a certain purpose according to the Mediawet (media law).
- NOS: Journalistic broadcaster that wants to provide the population with accessible news, national events and sports programming.
  - NPS: Offers high-quality programming in the fields of culture, information, youths and minorities.
  - RVU: Wants to offer a broad educational supply of programs. Cooperates with TELEAC in the Educom organization.

TELEAC: Educational content. Cooperates with the RVU in the Educom organization.

3. Life & Spirituality broadcasters: based on beliefs.
- BOS: The Buddhist Broadcasting Association wants to connect Buddhists to non-Buddhists.
  - HUMAN: Expresses the humanistic ideas.
  - IKON: A cooperation of nine churches.
  - NIK Media: Jewish broadcaster that wants to express Jewish heritage and culture.
  - NIO: Islamic broadcaster that wants to breach differences between believers and non-believers.
  - NMO: Muslim broadcaster that wants to broadcast exclusively for the Muslim population.
  - OHM: Hindu broadcaster wants to offer programs that have Hindu foundations to everybody.
  - RKK: Roman Catholic broadcaster that cooperates with the KRO.
  - ZK: Broadcasting for churches.

The three main channels of the NPO are Nederland 1, Nederland 2 and Nederland 3. Nederland 1 has a market share of about 20% and its biggest competitors are RTL 4 (14%) and SBS6 (13%). It aims at being popular, entertaining and a family channel. Nederland 2 has a market share of about 7% and its main competitors are the foreign stations VRT and BBC. It aims at being informative and a place for religious people. Nederland 3 has a market share of 7,3% is closely followed by its competitors RTL 5 (7,6%), Net 5 (5,9%) and Veronica (5,5%) (NRC Handelsblad, 2008).

#### 4.3.5 The Dutch commercial broadcasting landscape

With the increased amount of distribution channels the amount of television channels in the Netherlands has increased rapidly. The main Dutch broadcasters are RTL Nederland and SBS Broadcasting. The following players are on the Dutch market (“Omroep handboek”, 2009):

- |  |  |
|--|--|
| • 13TH STREET                                    | • FilmI                                      |
| • Arte   | • Garuda TV                                  |
| • BBC Worldwide Channels (Benelux)               | • Goed TV                                    |
| • Brava HDTV                                     | • Hallmark channel                           |
| • Cartoon Network                                | • IBSBM: EuroNews, Mezzo, Travel Channel,    |
| • CNN International                              | Fashion TV, BabyTV, Trace, Wine TV, MCM Top, |
| • Discovery Networks Benelux                     | MCM Pop                                      |
| • Eurosport                                      | • Jetix                                      |
| • Faceplant Film and Television Productions Int. | • Marc Dorcel TV Netherlands                 |
| • Family7 / ETV                                  | • Media Network Business                     |

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- National Geographic Channel
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- NostalgieNet
- Oljans TV Communicatie
- OUTTV MEDIA
- RTL Nederland: RTL 4, RTL 5, RTL 7, RTL8, RTL Lounge, RTL.nl
- SBS: NET 5, SBS 6 en Veronica
- SCI FI Channel
- Sport1
- Talpa
- Tanzania Safari Channel
- TCM
- TV Oranje
- Weer en Verkeer TV

#### 4.4 Finance and economics

Finances are an important part of the success of television. The investors, the Dutch government, want to get a high return on investment measured in large audiences. The viewers want to keep the costs as low as possible. A medium that is very expensive, like special devices, is likely to fail (Noll, 2007).

##### 4.4.1 Television broadcasting funding

In most developed economies, television is the largest component of the media industry. In contrast with the newspaper industry, television is unable to charge the individual costumer for the consumption of a program. This 'market failure' or deficiency has created two different approaches to funding television, public funding and sponsorship. In the early years of television, many European countries organized forms of public funding, like the BBC in Great-Britain, while television in the United States developed on a commercial basis. By the end of the 20th century, many European countries also allowed commercial broadcasters on their markets. These private organizations relied mostly on sponsorship. In some countries, like the Netherlands, publicly funded broadcasters were allowed to broadcast commercials in between shows to supplement their funding (Doyle, 2002). In the Netherlands public broadcasting is funded for about 75% by the government while the rest of the budget comes from advertising revenues (Plasterk, 2009). Commercial Dutch broadcaster get most of their income from advertisements and sponsoring (Rijksoverheid, 2010).

##### 4.4.2 Profitability

Like most of the media, television broadcasting can be seen as a dual-product market. In such a market, the broadcaster delivers two products, not just television shows, but also its audiences. While broadcasting a television program to a certain audience, the broadcaster sells the attention of that audience to advertisers who can raise awareness for their products. A television program is a public good, meaning the consumption by one person doesn't reduce the supply to others. The consumption of a television show by an extra viewer does not cost the broadcaster more money. This means a broadcaster can never save money by lowering the audiences, but only by cutting the costs of overhead and production. When a new channel is launched, the only way to attract audiences is by heavily investing in programming. Usually, it takes a while before a programmer can build up this audience and will start earning revenues. A new channel is likely to lose a lot of money in the beginning. When the broadcaster does not have the funds for this, the programming budgets will be the first to be cut. This will lead to a deterioration of the program quality, what can lead to a loss in viewers. The broadcaster runs the risk of running into a vicious circle of profitability, where it is tried to become more profitable by cutting costs, while losing viewers in the process. This will likely lead to a downward spiral where bankruptcy is the inevitable outcome. When a broadcaster is able to overcome this risky period of four to five years, it will be possible to start making considerable profits. It will be possible to create an upward spiral, not a vicious, but a virtuous circle of profitability, where increased revenues will be invested in programming, leading to bigger audiences, leading to higher revenues, and so on (Doyle, 2002).

##### 4.4.3 Program investments

There are mainly two ways to finance program development: deficit financing and cost plus financing. The deficit financing system is mostly used in the United States. In this system, the program developers share the risk with

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the program distributors/ broadcasters. In return, they are able to maintain certain rights on their programs like DVD sales and Internet distribution. In the second, mostly used in Europe, cost plus system, the distributor pays all the production costs and gives the producer a certain fee. In this system, the producer usually signs off all of the distribution rights. In the deficit-financing system, the producers have to take bigger risks, but when the program is a success, they will make much more money than in the cost plus system. The disadvantage of the cost plus system is that program developers have no incentive to further build on their brands. Since they have no secondary rights, there is no reason to develop a program further once it has been broadcasted (Doyle, 2002).

#### 4.4.4 Windowing

Windowing is a selling strategy that is used by program developers and distributors to maximize their profits. They sell the programs in a certain pattern to as many screens or windows as possible. Selling the programs through different windows will enable the seller to use price discrimination, by selling the show to viewers at different prices (Doyle, 2002). For a Dutch television show this could mean that a docudrama is first broadcasted on a television channel, combined with commercials. After the broadcast, the show will be placed on the Internet where it will be accompanied by another advertisement. A couple of months later the show will be combined with the other shows of that season and will be put on a DVD. In this way, the docudrama was sold three times instead of just once. The windows can affect each other's sales, though. Some of the biggest plunges in DVD sales in the United States were among the shows that were offered online as well ("Changing the Channel", 2010).

#### 4.4.5 Market failures in television broadcasting

Market 'failure' is the failure to meet market supply with demand and efficiently allocate resources or the failure to advance socially desirable goals. For television, as a public good, the main market 'failure' is the inability to directly charge the consumers for the content. Since it is broadcasted, there is no way to find out who actually consumed it. The second 'failure' is the non-excludable nature of the content, where it is difficult to exclude viewers. Since everyone will be able to receive it, there is no exclusivity. The third 'failure' is that the content is non-exhaustable, so it does not make sense to prevent people from watching, because there are no added costs when an extra person watches a show. The fourth market 'failure', is the asymmetric information flow that occurs when broadcasting a television show. The viewer does not know beforehand if the content will be valuable. The only way to find out if he wants to pay for the show is by watching it. The incentive to pay after consumption is very low. The fifth market 'failure' are the externalities, the positive and negative external effects, a broadcast can have on society. Figuratively speaking, a media company can pollute the airwaves in the same way as a waste company can pollute a river. The final market failure is the inability of an unregulated market to allocate the resources properly. It is unclear if the viewers are always the best deciders of what content is best for them. Some believe that regulation is necessary to be able to provide enough content that is valuable of society (Doyle, 2002).

#### 4.4.6 Finances of Dutch Public Broadcasting

The funding system for Dutch public broadcasters is based on their amount of members. In the past, broadcasters with more than 300.000 members, 'A-broadcasters', used to get twice as much funding as broadcasters with between 150.000 and 300.000 members, the 'B-broadcasters'. Because this created too big a difference between the two groups, the budget currently related to the total amount of members, but this funding will only extend to a maximum of 400.000 members. Next to this basic budget, the broadcasters can get extra funding for programs that might add up to an extra 30% (Rijksoverheid, 2010). The last estimates of the public broadcasting budget for the upcoming years were done in November 2009 (Plasterk, 2009). This government resigned on the 20th of February, 2010, so it is unclear how much of these plans will be executed. A large part of the budget comes from government contributions and a part from advertising sales of the Stichting Ether Reclame (STER). The budgets for 2009 till 2014 will be shown in the tables below:

Table 2: Government Contribution to Public Broadcasting (in €1.000)

	2009	2010	2011	2012	2013	2014
Estimate	666.909	688.644	692.236	696.767	701.416	706.170
Indexation	21.675	6.886	13.914	21.113	28.480	36.022
Total contribution	688.584	695.530	706.150	717.880	729.896	742.192

The government contributions were supposed to grow with €50 million in 2011, but this was lowered to €25 million to economize. The indexation part of the contribution is a recalculation of the budgets, using prognoses on changes in households and consumer prices. Of the total expenses of the Ministry of Education, Culture and Science of €36,542 million, the €695,5 million in 2009 accounts for about 2% of the total budget. Of the national 2010 budget of 272,1 billion, the public broadcasting counted for about a 0,25% (Ministerie van Financiën, 2009).

Table 3: Income from the STER (in €1.000)

	2009	2010	2011	2012	2013	2014
Estimate	195.000	196.000	200.000	200.000	200.000	200.000
Indexation	14.000	1.000	0	0	0	0
Total Income	209.000	197.000	200.000	200.000	200.000	200000

The advertising incomes were higher in the years before the economic recession (€226 million in 2008). The income expectations of the upcoming years are hard to predict. It is not expected to grow soon, because the public networks are restricted in using newer forms of advertising.

Table 4: Income from Interest on media reserves (in €1000)

	2009	2010	2011	2012	2013	2014
Estimate	1.400	2.000	2.000	2.000	2.000	2.000
Mutation	600	0	0	0	0	0
Total Income	2.000	2.000	2.000	2.000	2.000	2000

The reserves that are built up by the public broadcasters over the years gain interest. As long as these remain untouched, the income will stay the same.

Table 5: Total Budget(in €1.000)

	2009	2010	2011	2012	2013	2014
Total	901.548	897.530	908.650	919.880	931.896	944.192

The budgets will be spend in 2009 and 2010 in the following way:

Table 6: Expenses of 2009,2010 (in €1.000)

Expenses	2009	2010
Endowments & Contributions		
Council for Culture	280	0
Commissariat for the Media	4029	4069
OLON	501	506
Kabelraden.nl	382	386
Media Grants	2000	2000
Media Expertise Centre	2000	2000
Incentive Fund for the Press	1000	4300
Endowment Dutch Cultural Promotion Media Productions	17482	17657
Cobo	7234	7307
Total	34909	38225
Percentage of total spending	3,87%	4,26%
Compensation management tasks		
Broadcasting Music	30750	31057
Dutch Institute for Sound and Vision	19164	19656
NOB	23501	23736
Total	73415	74449
Percentage of total spending	8,14%	8,29%
Compensation for broadcasting associations		
National Broadcasting	730919	757925
World Broadcasting	45413	45867
Minority programming	4019	4059
Total	780351	807851
Percentage of total spending	86,55%	90,01%
Subtotal	888675	920525
Mutation Media reserves	12909	-22995
Total	901584	897530

The expense sheet shows that about 90% of the 2010 budget is spent on the different forms of broadcasting. The total percentages don not add up to 100% because lacks of funding get compensated by the media reserves.

#### 4.4.7 Media Investments

Due to the growing popularity of the Internet presence leading to higher costs, the NPO will cut the on line budgets. The NPO is planning on decreasing the websites that supplement programs, wants to limit the diversity in content and provide more content for the 13-34 target audiences. The focus will be on websites that provide basic information. The total Internet budget will decrease from 33 million in 2008 to 28 million Euro in 2011. During the same period the television budget will decrease from 589 million to 524 million euro and the radio budget will increase from 87 million to 100 million euro (Nederlandse Publieke Omroep, 2009).

## 4.5 Policy & regulation

Policies and regulations can have great influence on public television broadcasting. The media industry must always be aware of the government. The government might enact laws protecting the public interest. The problem is that the legislators will not always be the ones that know the topic best (Noll, 2007).

### 4.5.1 Broadcasters

Broadcasting has always been one of the most regulated sectors in the economy. Regulation and public ownership have been used as tools by governments to influence the markets. Governments use the regulation tool to 'encourage' private broadcasters to have more goals for their programming than profit maximization. They will have to include certain amounts of culture and diversity for example. The other tool of the government is public ownership. In that case, the programming of a broadcaster is publicly funded and the organization is usually state-owned. This system exists in most countries, but is controversial due to the loss of consumer sovereignty. The citizen is forced to pay for the public television through taxes and licensing fees (Doyle, 2002).

### 4.5.2 Public broadcasting regulation in the Netherlands

The Dutch government sees public broadcasting as one of the most important instruments in their media policy (Rijksoverheid, 2010). Although most countries have a single public broadcaster, like the BBC in Great-Britain, the Dutch have multiple. Some of them represent certain groups in society, others provide news, educational and religious content. It all falls under the responsibility of the Ministry of Education, Culture and Science. The supervising activities are delegated to the Commissariaat voor de Media (Commissioner for the Media), who delegate the daily management of public broadcasting to the Nederlandse Publieke Omroep (Dutch Broadcasting Association). All the duties of public broadcasting are defined in the Mediawet (Media Law).

### 4.5.3 Commercial broadcasting in the Netherlands

Until 1989, it was prohibited to start a commercial broadcaster in the Netherlands. When RTL Véronique started broadcasting from Luxembourg to surpass this legislation, the government decided to allow commercial initiatives. Since the commercial stations get no subsidies, they have to follow less regulations. The regulations they have to follow are: (1) it is not allowed to sponsor the news, (2) 40% of the content has to be in the Dutch or Frisian language and (3) the commercial broadcasters may spend a maximum of 12 minutes an hour on advertising (Rijksoverheid, 2010).

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## 5. Interviews

Interviews were held with six media experts. In this chapter each interview will be summarized and all the interviews will be dissected in the five main themes to give an overview of the interviews per topic.

### 5.1 Interview summaries

The six interviews with media experts are summarized below. The summary closely follows the chronological order of the interviews. The duration of the interview relates to the part that was recorded. Time used for discussion before and afterward is not included.

#### 5.1.1 Interview #1: Joël Batenburg

Date: May 13, 2010

Duration: 59 minutes and 2 seconds

Company: Public broadcaster NCRV

Position: Chief Editor Television and Project Manager of Stand.19

Summary: NCRV uses the slogan 'Together in the World', to stress the importance of tolerance and respect. The broadcaster is popular among the 50+ population and children from 6 to 12. Joël Batenburg started his career as a newspaper journalist and ended up working for the NCRV as a presenter, program maker and chief editor. At the moment he is working on a project to give a voice to a diverse group of 19-year olds, Stand.19. This group received cameras from the NCRV to show their perspective on life and current events. Batenburg thinks this group is very important to be heard, because of the crossroad in life they are on at the age of 19. The 13-19 group watches less television, because of the lower amount of spare time and increased amount of alternatives. He thinks that they are better at finding the information they need than older generations. The concept of broadcasting is not outdated, according to Batenburg, because a lot of new innovations are used as supplements to programs. The NCRV saw a spike in the reach among 16-19 year olds, when they aired an informational evening about STDs. The show was also a big success on Uitzendinggemist. Batenburg is afraid that broadcasters misrepresent the 13-19 population, so he wants to offer them a forum with Stand.19. The loss in viewers among the teenagers to commercial stations is mostly due to the movies that air on those channels. Batenburg thinks it is not that easy to look into the future these days. He thinks most change will come from the technological innovations that will follow each other at a more rapid pace. Content will also have to adjust to the new way of watching, where the viewer already knows a lot about a certain topic beforehand. Broadcasters can not sit in their ivory tower anymore, but have to approach the viewer and do something with user-generated content. He thinks they should adjust to the change. Batenburg believes the new and the old generation should bridge their differences in the workplace in order to improve broadcasting. In the end of the interview, he read some quotes of 19-year olds that were interviewed by a research company that was contracted by the NCRV (Appendix A, 2010, p.10, own translation):

“In the past, I watched television occasionally.”

“Hyves: every day I ask myself, what's the use? But eventually I still want to know if they have seen me.”

“I listen to music on Youtube, I cannot do a day without Internet.”

“TV-News is important, but you can also find it on the Internet.”

“If the news is important enough, it will find its way to me”

“My telephone already costs me €200 a month.”

“I cannot live without my mobile phone.”

#### 5.1.2 Interview #2: René van Dammen

Date: May 11, 2010

Duration: 55 minutes and 53 seconds

Company: Nederlandse Publieke Omroep (NPO)

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Position: Ratings Expert at Department of Media Research & Advice.

Summary: The Nederlandse Publieke Omroep (NPO) is the umbrella organization for all the public broadcasters in Hilversum. The NPO has two research departments. One focuses on policy issues, the Viewing and Listening Research Department. René van Dammen has been working at the other one for 34 years, Media Research and Advise. This department gets commissioned by broadcasters to do small-scale research after media usage. Immediately in the beginning of the interview, a stack of papers full of television ratings was given. These figures show the ratings for the years 2000-2009 and give an insight into the top 250 of best viewed shows by the 13-19 group, the gender differences and their viewing patterns during the day. These figures will be translated into graphs in the user section later on in this chapter. Van Dammen explains the viewing research is a sample of 1.300 households with 2.800 members. In this small sample, the 13-19 group only consists of about 230 teenagers, so he warns that small fluctuations are statistically insignificant so they should be ignored, making year averages more trustworthy. During the interview he also explains the rating software they use, called Viewertime. Van Dammen thinks one of the main reasons for the changes in viewing behavior among 13 to 19 year olds is the decrease in content for the group. In 2003, large shares of the group (sometimes up to 30%) watched singing contests like Idols and soaps like Goede Tijden, Slecht Tijden, but by 2009 these kinds of shows attracting large shares of young audiences, disappeared. The one show that still holds a relatively large share of the 13 to 19 year olds, *Onderweg Naar Morgen*, gets cancelled after the summer of 2010. Van Dammen thinks this is because the target audience of the channel the program is broadcasted on, Nederland 3, is 20 to 34 year olds. The show gets replaced by a program for 6 to 12 year olds, secondary school soap *Spangas*. Several times in the interview, Van Dammen points out that the decision to cancel this BNN show is a big loss. Movies and series are popular among the 13 to 19 year olds, but public broadcasting is, in contrast to the commercial channels, not really able to provide this because of contractual, financial and scheduling constraints. Van Dammen thinks the technological changes will not quickly change the nature of television. In his time, he has seen the arrival of cable, video- and hard-disc recorders and saw their influence was not that big. According to him, the problem with Internet and television are the promos some shows put on television for their websites. He thinks it should be the other way around, Internet should be used to promote television. One of the big changes of the last couple of years was the switch to lifestyle groups. This enabled program developers to focus on a more specific audience. Van Dammen thinks Internet is a gadget and will never replace what television used to be, still is now and will be in the future.

### 5.1.3 Interview #3: Maarten van Dijk

Date: May 4, 2010

Duration: 32 minutes and 13 seconds

Company: Public broadcaster BNN

Position: Head Program Development.

Summary: BNN is a broadcaster that targets the 15 to 35 year olds. Maarten van Dijk started as an editor at Veronica, began in 1998 at BNN and climbed the ladder all the way up to become the chairman. Currently, he is the head of program development at the broadcaster. BNN sees the 13 to 19 as two separate target groups: the 13-14 and the 15+ audience. The 15+ audience will probably tag along with the 20 to 34 audience, but the audience under 15 is too young for those shows. Van Dijk thinks the problem with the 13 to 19 group is their small size. It is safer to target the 20 to 34 year olds, because the ratings will be considerably higher. Teenagers tend to like shows that are presented by young people. It is hard to reach this group with informational content, because they have different needs than older generations. *Onderweg Naar Morgen* was also a big hit in the 13 to 19 group. Maarten van Dijk sees the show as a good way to show the group how they should deal with certain issues and taboos. He thinks the main reason the program gets canceled is the low ratings it has in the main target audience of Nederland 3, the 20 to 34 year olds. In the future, BNN will launch a similar soap drama that will also be aimed at this important target group. Van Dijk thinks that teenagers watch less television, because they spend more time on other activities. One of the main developments is the growth in Internet usage. BNN will try to get a more focused Internet strategy where

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they will try to create communities around shows and engage the viewer more. He thinks television will continue to exist but the way of viewing will change. Viewers will (1) continue to watch events like the Soccer World Cup collectively, they will (2) share viewing experiences on social networks and (3) will watch individually on a moment that suits them best. Van Dijk thinks the main future developments will be the change in leisure time consumption and technological innovations. In this changing environment, the public broadcasters should focus on their message, because in the end it is all about content and talent. The content should be adjusted in length and in a format to suit the new ways of media usage and new devices. Maarten van Dijk hopes the communities on the Internet will eventually replace the outdated member system. He concludes, that broadcasters are not created to keep old mediums afloat, but should go along with the technological developments.

#### 5.1.4 Interview #4: Diederik Hoekstra

Date: May 6, 2010

Duration: 42 minutes and 4 seconds

Company: Public broadcaster VPRO

Position: Marketing-manager Brands & Programming.

Summary: The VPRO is a public broadcaster that does not target a specific age group, but wants to cater to the 'creative class'. Their total target group consists of about 2,7 million people. When joining the VPRO three years ago, Diederik Hoekstra noticed a difference in approach between the marketing department and program developers. He was confronted with programs that were not targeted specifically, so he had a hard time at finding audiences. The VPRO tries to experiment on new mediums, but is hard to get budgets for this within the outdated bureaucratic system with 24 broadcasters. Hoekstra thinks broadcasting will have to make way for on-demand viewing. Audiences are more fragmented these days and will decide for themselves what they want to watch. He thinks the difference between younger and older audiences will continue to grow. The nature of program development will change as well. A lot of broadcasters use external production houses to produce their shows and put their brand on it afterward. He thinks the broadcasters should be weary of this, because the more they outsource, the less added value they have. It will be a matter of time before the external producers will start exploiting this and distribute the shows themselves. The VPRO has just started a new crossmediaproject, Dorst. An editorial group of young people will create content that is aimed at the younger audiences. This will start as an Internet-based project, but the content will also be used as input into other projects of the VPRO. In the future, content will have to change in length and will have to be supplemented with extra content. Diederik Hoekstra thinks the chances are about 50-50 that anything will change the upcoming ten years. The big developments will probably be in the Internet field. To keep up with these technological developments it is important to attract young talent.

#### 5.1.5 Interview #5: Roek Lips

Date: May 4, 2010

Duration: 29 minutes and 12 seconds

Company: Nederlandse Publieke Omroep (NPO)

Position: Channel Manager of Nederland 3.

Summary: Roek Lips is as channel manager of Nederland 3 responsible for the programming. He is independent from the broadcasters and has no say into the content of the programs. Nederland 3 is a channel for people from 13 to 50 years old, but the main target group is the 20 to 34 audience. Lips thinks the public broadcasters have not managed to reach the 13 to 19 audience because they do not watch the shows that are targeted specifically at them. Their viewer motivation is aimed at relaxation, while the NPO wants to offer more. BNN is successful at reaching young audiences, because they mainly focus on entertainment. The teenagers are in a certain developmental phase that makes them hard to reach, but Lips think they will return at the public broadcasters once they get older. According to Lips, younger audiences are somewhat more active on the Internet, but it should not be exaggerated. Internet will be useful as an extra distribution channel and will also offer extra marketing possibilities. Media usage

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in general has changed a bit, due to alternatives like the Internet and gaming, but television is still an important medium. Roek Lips thinks television and Internet will converge, but viewers will always have the need for collective viewing experiences. He expects television with build-in Internet, that will broaden the supply and can be interactive, to become mainstream. Lips finds it hard to predict the future of broadcasting, but thinks it will mostly depend on political changes. The current member system is not sustainable, but he does not have an idea of what will replace it. As a channel manager, he thinks that next to linear programming, Internet-based programming will emerge. This form of programming focuses on grouping and linking on-demand content. Linear programming will continue to be important, because people will remain to have the need for shared viewing experiences. The content will be more on-demand in the future, but Lips thinks there are limits from the perspective of the public broadcasters. Most forms of programming on digital theme channels will probably merge into on-demand content.

### 5.1.6 Interview #6: Cathy Spierenburg

Date: May 10, 2010

Duration: 48 minutes and 17 seconds

Company: Mediasmarties

Position: Programma manager, "Broadcasting person of the year 2002" and creator of children's channel Z@pp and Z@ppelin.

Summary: Cathy Spierenburg started her career as a teacher, but started working for educational television in the 1980's. She believes television is an important educational tool and has a strong influence on the lives of children. Television for children of 12 and younger used to be scattered over the program schedule so it was very hard to reach the 0 to 12 audience. During the nineties, several commercial stations started with daytime television for children that offered a continual supply of content. Spierenburg fought for years to create a similar platform for children on the public channel, Z@pp and Z@ppelin. She thinks this counter supply is necessary to offer the children a more diverse and identifiable supply of content, instead of the middle-of-the-road international content of commercial stations. The public children channels were an immediate success and continued growing over the years. The 13 to 19 year olds are a hard target group to reach, because it is hard to predict what the next trends will be and they are too small a group to target. They are very different from the older age groups and she is not sure they will come back to the public broadcasters once they become older. In the media industry, several commercial parties noticed that this group has more money to spend, so they are likely to supply most of the media content. Television will drift to the background and will not get the full attention of viewers anymore. They might watch television, while surfing the Internet. In the end it is not the medium that counts, but the content. Spierenburg believes the suppliers of content, the 'content kings', will lose some powers and viewers will decide for themselves what they would like to see. She thinks the on-demand viewing will continue to grow, especially among teenagers. Cathy Spierenburg notices that the Internet development of the public broadcasters is already slow, so they should invest instead of lowering the budgets. The NPO should get a strong and focused Internet presence to engage the younger audiences.

## 5.2 The interviews in five themes

In this section, the interviews will be summarized according to the five leading themes of this dissertation. Of each theme, a short summary will be given and important quotes of the interviewees will be mentioned.

### 5.2.1 Consumer & market

Most interviewees think the reach of public broadcasting among teenagers is low, because the NPO cannot offer them the amount of foreign fiction the commercial stations offer and the teenagers spend more time on other activities than just television. Most think the further decrease in viewing of this group is due to the emerging Internet and the even busier schedules. Some of the interviewees think teenager are simply too small a group to be targeted in the system where audience numbers count. Some think it is important to use the Internet to engage the

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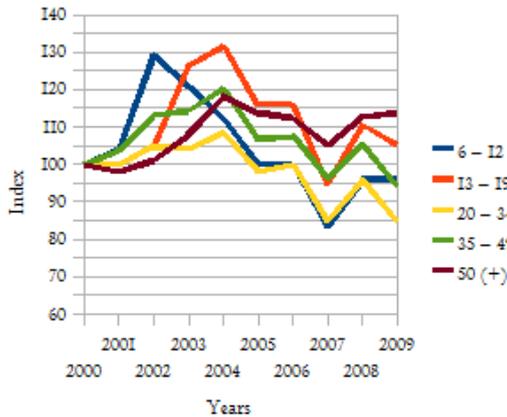
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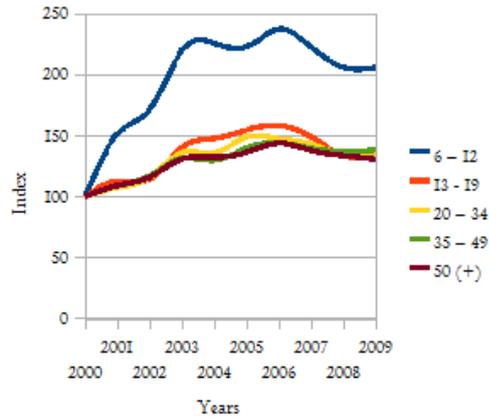
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teenager audience. René van Dammen gave some extra viewing figures that made it possible to look at the viewing behavior of the whole decade. Graph 7 shows that during the first years of the decade, all audiences started to watch more public television. This figure also show the peak around 2004-2005. Graph 8 shows that the commercial stations experienced the same kind of peak, but they were capable of maintaining more of the audiences. For the commercial station all viewer audiences increased and especially the younger ones.

Graph 9: Index of public TV viewing (2000 = 100%)



Graph 10: Index commercial TV viewing (2000=100%)



René van Dammen also shared the Top 250 of programs for the 13-19 audience in 2003 and 2009. The difference between the shows that were popular in 2003 and 2009 is that shows that reached really high market have disappeared. The leading show of 2003, RTL4's Idols, where 42,9% of the teenagers was watching at a certain moment is replaced by SBS6's De Nieuwe Uri Geller Show, where the highest market share was only 22,3%. The Top 250 also shows how the teenagers where represented. The measurement term index is used for this. When the index is above a 100 it means that in comparison to the rest of the viewers, teenagers are overrepresented. The main difference is that the amount of show that get Indexes above a 100, have fallen from about 60% in 2003 (150 shows) to about 39% in 2009 ( 97 shows). This is an indication that the amount of programs that were relatively more interesting for them have decreased. The Top 250 also shows that the amount of public broadcasting shows have increased from 27 to 57. This could also be a a consequence of the lack of commercial programs with high market shares.

Table 7: Top 250 programs of 13 to 19 year olds

	Highest market share	Lowest Market share	>100 Index	NPO shows
2003	42,9	11,9	150	27
2009	22,3	8	94	57

Joël Batenburg thinks one of the reasons that it is hard to reach the youth is: “They have far less leisure time than my generation had” (Appendix {App.} A, p.2, own translation [o.t.]). He thinks: “the losses are still limited, considering all the alternatives that emerged” (App. A, p.6, o.t.).

René van Dammen points out: “Untill 2003, there was a strong rise among the 13 to 19 year olds. After that, there indeed was a decrease . . . there is slightly less viewing of the public broadcasters, but especially less to the commercial” (App. B, p.1, o.t.). About the changed viewing behavior of the group, he says: “there are no programs that they necessarily have to watch” (App. B, p.2, o.t.). He doesn't see: “enormous differences, but the youth watches slightly less, while older groups watch slightly more” (App. B, p.3, o.t.). About Onderweg Naar Morgen he says he is afraid: “it will lead to an even higher decrease of the viewing of the 13 to 19 year olds to the public broadcasters”(App. B, p.4, o.t.). He also says about teenagers: “TV has never been very important to them. Also

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because there are so many other things that occupy them”(App. B, p.4, o.t.). About viewing trends he says: “Most people just watch live television and will continue to do so” (App. B, p.6, o.t.). According to Van Dammen, the lifestyle-groups approach is working well: “It is much smarter, how it is done now. That is why the market share of the public broadcasters has risen again, also with I3 to I9, but especially with 50 plus” (App. B, p.7, o.t.). Maarten van Dijk of BNN says: “Particularly the 20 to 34 is for the public broadcasters, but also for BNN, a far easier reached group than the younger group” (App. C, p.I, o.t.). About teenagers he thinks: “the I3 to I9 group is so small that when you exclusively targets that group it will not be that interesting in ratings. Even in the case of public broadcasting, what is pretty strange” (App. C, p.2, o.t.). He thinks teenagers watch less television, because: “the time they spend on television has decreased, because they spend it on other things” (App. C, p.3, o.t.). His “prognosis is that television will always continue to exist, even for the I3 to I9 group, but the viewing behavior will change” (App. C, p.3, o.t.).

Diederik Hoekstra from the VPRO says that sometimes program developers don't keep the target group in consideration: “when you don't do that and you do not keep that in mind during development, you run the risk that there is no public for your show” (App. D, p.I, o.t.). He mentions about teenagers: “They are not taken into account ... you have a gap from puberty to pre-study ... it has always been like that” (App. D, p.2, o.t.). He thinks: “in many youth shows, they tend to think in stereotypes ... they have the need to be addressed with other issues than sex and drugs” (App. D, p.3, o.t.).

Roek Lips from the NPO says about teenagers: “We include them in the ratings ... ,but the focus group of Nederland 3 is 20 to 34 ... Nederland 3 is certainly not meant as a youth channel” (App. E, p.I, o.t.). He continues: “the younger viewer of course grew up with the Internet and has developed different media behavior” (App. E, p.I, o.t.). Later on, he says: “I am sure that younger groups will eventually return in their viewing behavior at the public broadcasters ... they already manage to find us when there are big events” (App. E, p.2, o.t.). He does not think Internet has a large influence on viewing behavior: “the percentage that watches television via the Internet is minuscule ... sometimes it is said that rising internet usage and delayed viewing will go at the cost of television viewing, but that is incorrect” (App. E, p.2, o.t.).

Cathy Spierenburg noticed that media had a big influence on children: “it resonates in their behavior ... it shows them role models they can look up to ... media in its fullest meaning takes a dominant place in children's development” (App. F, p.I, o.t.). She thinks the public broadcasters should offer specialized programming opposed to the middle-of-the-road programming of the commercial broadcasters, because: “children need to be able to identify. It would be wrong if they could only identify to the average” (App. F, p.2, o.t.). Teenagers are a: “difficult group to reach, but very interesting, because they will have to return to the public broadcasters in the future and that does not happen automatically anymore” (App. F, p.3, o.t.). She thinks media usage in general is changing: “where we first had the multitasking younger generation, you nowadays see a lot of people of my generation with a laptop in their laps, while watching television” (App. F, p.4, o.t.). She also thinks: “People will be individualistic more and more. They do not want to be prescribed when to watch the 8 o'clock news anymore” (App. F, p.5, o.t.).

### 5.2.2 Technology

All the interviewees acknowledged that the Internet will be an important medium for audiovisual distribution, but their opinions differ on what it will mean for television. Most of them saw a future in television, although some expect a decline in importance. Convergence of Internet, television and radio is also mentioned several times as one of the possibilities. It is unclear which medium will eventually prevail. The following quotes came from the interviews:

Joël Batenburg from the NCRV says that: “Radio, television and the Internet will grow towards each other more and more” (App. A, p.3, o.t.). He thinks public broadcasters are: “very dependent on what is being developed” (App. A, p.7, o.t.).

René van Dammen is skeptical about the move towards the Internet: “The expectation was five years ago that a rapid shift would occur from using the normal set less and more and more via the Internet. It is five years later and

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I cannot detect a very extreme change” (App. B, p.5, o.t.). He thinks that television is used too often to promote the Internet: “It closely resembles one-way traffic now. Everybody is directed towards the websites, but not the other way around” (App. B, p.6, o.t.).

Maarten van Dijk from BNN says: “the type of medium will determine how you can consume the content the best” (App. C, p.5, o.t.). “The media type will eventually determine the story structure, but also the design” (App. C, p.5, o.t.) He concludes: “Television will remain to exist, but it's share will decrease.” (App. C, p.6, o.t.)

Diederik Hoekstra of the VPRO states that his association: “is not anchored to radio or television as a specific form” (App. D, p.4, o.t.). He expects that: “I don't know the exact penetration rate of Internet televisions, but from the moment it rises, more will be developed for it” (App. D, p.6, o.t.). About interactivity he thinks: “media will eventually start to interact more, but it is more likely that Internet will overgrow television than that television will suddenly become interactive” (App. D, p.7, o.t.) The marketing-manager thinks: “The radio developers continued to make radio and television just added to that. I think the same will happen to the Internet” (App. D, p. 7, o.t.).

Roek Lips from the NPO says: “Television and Internet will converge completely, although the viewing experience is totally different” (App. E, p.3, o.t.). He thinks the biggest technological changes will be: “that all televisions that are going to be sold, will have the possibility to connect to the Internet. That means that everything you nowadays do on your laptop or pc, you will be able to do on your television in the future.” (App. E, p.5, o.t.). According to Lips, the adaptation will: “partly be a metadata story, in the sense of how are we going to make the data as accessible as possible so people will be able to find it.” (App. E, p.5, o.t.).

Cathy Spierenburg from Mediasmarties says: “The backgrounds are usually covered on another media now, another platform” (App. F, p.4, o.t.). She thinks that: “television will start replacing and take the place of radio” (App. F, p.4, o.t.).

### 5.3 Business & management

Most of the interviewees describe Dutch public broadcasting as a bureaucratic system that changes slowly. The targeting of certain large target groups like the 20 to 34 year olds makes it hard to target a relatively small group like teenagers. It is also hard to provide teenagers with the movies and series they want in the current fragmented system. The opinions about the effects of the internet on broadcasting differ. Although all interviewees acknowledge its importance, some see it as an extra promotion and distribution channel while others see it as a medium that requires new content.

Joël Batenburg tells that: “we want to give a voice to younger people” (App. A, p.2, o.t.). He thinks: “you have to search for them, listen and watch; can we use them in the programming we broadcast” (App. A, p.4, o.t.), and about the program development he says: “we have to see: “Who is the target group?” and then we can find something that is of added value to deliver to that target group” (App. A, p.4, o.t.). Batenburg does not think the NPO is reluctant to change: “there is a climate in which risks are taken” (App. A, p.5, o.t.). He thinks the success of the commercial broadcasters is: “mostly due to the movies they air and not so much because of their own shows” (App. A, p.6, o.t.). Batenburg thinks: “it is important to act at the right moment to communicate with your target group” (App. A, p.7, o.t.) Predicting the future is not possible, according to Batenburg: “Looking twenty years ahead, that was something you could do fifty years ago, but that is total hogwash these days ... I do not know if there will still be a NCRV ... I do not think it is that important to already start asking myself that” (App. A, p.6, o.t.). He thinks program developers: “should change a bit, without giving up on the reliability of the information (App. A, p.7, o.t.). Joël Batenburg says: “broadcasters cannot afford it anymore to sit in their ivory tower and just broadcast ... you have to be willing to change” (App. B, p. 8, o.t.). In the workplace: “the 'Generation Einstein' and the 'Generation Nothing' have to be willing to cooperate in the work place” (App. A, p.9, o.t.).

René van Dammen from the NPO tells about teenagers: “movies and series that do well with that group are the ones the public broadcasters do not have” (App. B, p.4, o.t.). Later in the interview he says: “Sometimes I think: Let the movies stay with the commercial stations, so we can try to reach those groups in different ways” (App. B, p.5, o.t.). About the more successful reach among teenagers by the commercial broadcasters, he says: “BNN obviously does

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not broadcast every evening, while RTL 5 is there seven days a week” (App. B, p.5, o.t.). On a popular BNN show, he says: “Five days a week, there is a program that the youth watches, namely *Onderweg Naar Morgen*. Around that show, you can nicely promote all those other shows on Nederland 3 that might be interesting for that group, but *Onderweg Naar Morgen* will cease to exist” (App. B, p.5, o.t.). Later in the interview he also says about *Onderweg Naar Morgen*: “The last weeks, months, it had a market share with 13 to 19 years of 22%. That is truly really high and at BNN they were very happy about it, but Nederland 3 strangely enough was not” (App. B, p.7, o.t.). He thinks the most important change lately was: “a lot more thinking is done in terms of target groups . . . . Four, five years ago, the public broadcasters on their three channels tried to reach the population as a whole” (App. B, p.7, o.t.).

Maarten van Dijk of BNN thinks that: “even at public broadcasting, there is sort of power of shares, of viewer numbers” (App. C, p.2, o.t.). He says about their target group that ranges from 15 to 35 years: “We are the only broadcaster that really consider that group to be important” (App. C, p.2, o.t.). What he liked about *Onderweg Naar Morgen*: “it made, in a really accessible way, themes discussable. . . . issues like abortion or euthanasia or loverboys” (App. C, p.2, o.t.). Van Dijk thinks there are two kinds of television: “The real commercial television wants to sell as much advertising as possible and then you have the total opposite, author-television, with the artist that has got a story to tell” (App. C, p.4, o.t.). He thinks: “Look, in the end it is all about content, about talent, about funniness, about information and about most effectively, with a lame word, distribute it, give people access to it” (App. C, p.5, o.t.). For the future, Van Dijk says: “Because it is pretty unpredictable you should think in large concepts and content. There will always be a need for languages, information, laughing and amusement” (App. C, p.6, o.t.). He concludes: “We are not here to keep the old media in the saddle. We are here to reach new people” (App. C, p.6, o.t.).

As the marketing-manager of the VPRO, Diederik Hoekstra describes: “You can see that a lot of broadcasters, more than the VPRO, outsource productions to external producers. That means that we soon, beside our brands, will have no added value. We should really watch out for that” (App. D, p.4, o.t.). About change within the NPO he says: “It is a very complicated system with 24 broadcasters . . . we miss the flexibility and the strength . . . It is a sort of bureaucratic system” (App. D, p. 6, o.t.). To facilitate the Internet, he thinks: “there is a role for the younger generation that grew up with it. They are skilled in it” (App. D, p.7, o.t.), this is necessary, according to Hoekstra, because: “You can easily see that especially within public broadcasting, with the contracts they have, there is a considerably aged group of employees” (App. D, p.8, o.t.).

The channel manager of Nederland 3, Roek Lips, says: “Public broadcasting does not make it easy for itself, but of course we have a lot of goals that we have to take into account” (App. E, p.2, o.t.). He sees Internet as: “a broadening of the distribution, but I think Internet is also a broadening of marketing possibilities . . . . Look, Internet can do a lot of things of course, but we are here to create content in the first place” (App. E, p.4, o.t.). He thinks: “The complete public broadcasting will change, but nobody can say, at this moment, what it is going to look like” (App. E, p.4, o.t.). The membership system will probably change. He expects the old member system that is based on subscriptions to guides: “will decrease over the next couple of years and people might be prepared to become a sort of a member through an online community” (App. E, p.4, o.t.). It is Lips personal opinion that broadcasters: “will have to cooperate more. That everything is organized more on themes than on ideas” (App. E, p.4, o.t.).

Cathy Spierenburg from *Mediasmarties* thinks: “the system should not be leading, but the target group should be” (App. F, p.2, o.t.). She believes public broadcasters are important so: “there is independent content that is not paid for by advertising.” (App. F, p.4, o.t.). Broadcasters: “should also look at their reach on the Internet, next to that of television” (App. F, p.4, o.t.). Over the years she has learned: “you really have to fight for children's programming . . . . because it is not the primary focus of most people . . . for every hour of child programming you get about a third of that of adult programming” (App. F, p.6, o.t.). About the problems of reaching teenagers she says: “television is a mass medium, so if you only count the viewing figures, then you will probably discover that is only a small target group” (App. F, p.7, o.t.). She also says that program developers that target the teenagers should have: “the courage to only look at the viewing numbers of that particular group. If they do not, they will say “This program has failed”. When they measure it to all the 12 to 80 year olds ” (App. F, p.8, o.t.).

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#### 5.4 Finance & economics

The decrease in budgets is by most experts seen as necessary, but some of them do not agree to lower investments in Internet. Roek Lips suggests these lower investments can not be seen as such, because the budgets are still assigned to specific mediums and that will disappear in the future. Some of them agree to the more focused Internet-strategy, but Diederik Hoekstra is afraid some web-only projects will be canceled. René van Dammen points out that movies and series are hard to acquire, because their returns are low.

Joël Batenburg from the NCRV thinks that: “although there is not a lot of space, not a lot of money, financial means are limited, the public broadcasters are still capable of handling large projects, to finance them” (Appendix [App.] A, p.5, own translation [o.t.]). About the decrease of budgets he says: “the ambition is there, but there are limitations we have to deal with. (App. A, p.5, o.t.). He thinks that: “a lot of applications are offered for free now, but after a while they will have to yield income” (App. A, p.5, o.t.).

René van Dammen of the NPO says “public broadcasting does not interrupt movies and series with commercials, but the commercial stations do” (App. B, p.4, o.t.). He continues: “an advertising segment before and after a movie, during which everybody zaps away, are not a way to yield large advertising revenues” (App. B, p.4, o.t.).

Maarten van Dijk of BNN says about the old way of investing in the Internet: “you cannot invest to create some sort of half/half thing for every show” (App. C, p.3, o.t.)

Diederik Hoekstra from the VPRO agrees partly to the new television and Internet budgets: “It will be connect more directly to TV and radio budgets, what is more logical” (App. D, p.5, o.t.), but concludes: “There are a couple of web-only projects, that were moved to the web, because of a scarcity on radio and television, that will become the victims of this” (App. D, p.5, o.t.). Hoekstra states its hard to innovate, because: “the budgets are completely nailed down these days by the sign ins and such. We always try to reserve a part of that for innovation, but it is quite complicated” (App. D, p.5, o.t.). He thinks the Internet budget as such does not mean that much: “It is cost saving now, but eventually you can also invest four times as much or tenfold or even a hundredfold. The space is unlimited” (App. D, p.5, o.t.). He concludes: “On the other side, there will be a lot of investments in the convergence of radio and television with the Internet. I think that is a positive development” (App. D, p.5, o.t.).

Roek Lips from the NPO replied to a question about the budgets of 2010-2016 that: “Those budgets are always very hard to read” (App. E, p.3, o.t.). He continues: “the most important development will be that the bulkheads, as they are beautifully called, between Internet and television will disappear” (App. E, p.3, o.t.). About the costs differences between television and Internet, Lips says: “You can not generally say that one is more expensive than the other” (App. E, p.4, o.t.)

Cathy Spierenburg's reply on the lower investments in the Internet and television by the NPO is: “I do not get that at all” (App. F, p.5, o.t.)

#### 5.5 Policy & regulation

Policy is not an often discussed topic during the interviews. Only half of the interviewees has something to say about it. They see politics as a great force, but one that they cannot influence.

Joël Batenburg is waiting for the next elections before he makes predictions: “On June 9, there will be elections and we do not know yet how the landscape will look afterward” (App. A, p.6, o.t.).

Diederik Hoekstra thinks the current developments are influenced by two major factors: “It still relies heavily on money, also it depends heavily on the direction the politics will go” (App. D, p.5, o.t.). He also speaks about the added value of broadcasters in comparison to external production houses: “As long as we are a strong brand, it holds a value and also as long as we manage the channels. But it is all going to change. You see proposals by Groenlinks to turn broadcasters in production houses” (App. D, p.4, o.t.).

Roek Lips says: “we have the coordination over television and the internet, but the political component, that is what the Hague is responsible for” (App. E, p.4, o.t.). He continues: “The moment a government arrives that says: “It all has to change”, than will we be very dependent” (App. E, p.4, o.t.).

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## 6. Conclusion

This dissertation detected the problem that the Dutch public broadcasting of audiovisual content is declining in reach among teenagers. To find a solution for this problem, it is important to get an overview of the situation and find the causes. Dutch public broadcasting was dissected into the five leading themes: (1) market & consumer, (2) technology, (3) business & management, (4) finance & economics and (5) policy & regulation. Literature research and expert interviews were conducted to answer the following question:

*What caused the decline in the viewing of Dutch public television among 13 to 19 year olds?*

To answer this question, the research was divided into the following sub-questions:

1. *How do the public broadcasters target the 13 to 19 year olds?*
2. *What is the current viewing behavior of 13 to 19 year olds?*
3. *How do recent developments in media technology influence the 13 to 19 year olds?*
4. *Do the public broadcasters adjust to the changing environment?*

### 6.1 Research sub-questions

The sub-questions will be answered in the four section: targeting, behavior, technology & change.

#### 6.1.1 Targeting

Public television it still gaining audience in the older target groups, but it is loosing viewers in the younger audiences. The targeting of the public broadcasters is based on lifestyle, where they target eight lifestyle-groups. The problem with this targeting is that teenagers are not specifically included. It is assumed that they will watch the shows that are developed for the main audience of Nederland 3, the 20 to 34 year olds. The amount of content from public broadcasters that is specifically targeted at them has decreased. The popular show *Onderweg Naar Morgen* got cancelled, for example, because it was not popular among the main target group of Nederland 3. movies and series that are popular among teenagers are almost not offered on public television, because they are too expensive and they don't give the broadcasters the possibility to profile their brands. Only one of the three public channels is targeted at young people. This scarcity in programming space makes it hard for broadcasters to reach small audiences, when they are required to get high viewer rating. A middle-of-the-road approach where only the main audience is reached is the consequence. A channel that does not have the scarcity problem, the Internet, is also neglected. The focus on reaching large audiences on the Internet as well, is a missed opportunity. The internet would have been perfect to reach smaller groups and it also offers the possibility to experiment.

#### 6.1.2 Behavior

Teenagers are watching less television and spend more time online. This added computer usage does not go at the cost of television time, but at the cost of attention. Due to these new technologies, a teenager is likely to use several mediums at the same time, dividing the attention over the several devices. They are the target group that are the most active on *Uitzendinggemist*, though. This shows that they are interested in the content of the public broadcasters.

#### 6.1.3 Technology

Recent technological developments are of influence to the 13 to 19 year olds. The amount of technologies that can be used to transmit audiovisual content has increased. Television has managed to adapt to technological changes like cable and satellite in the past, so it is likely it will be able to handle these changes as well. It is likely that television will converge with the other mediums to broaden its distribution. The main advantage of television is that is already widely adopted, while smartphones and computers are relatively expensive to consumers. This might change

in the future, though.

#### 6.1.4 Change

The public broadcasters have it as their main goal to be for and from everybody. This means they should also be there for teenagers. Although, the NPO wants to reach people through radio, television, the internet and mobile phone, it is still very focused on television. The bureaucratic system make it hard to innovate and invest in new media. The narrower Internet strategy and decreased budget, make it unlikely that a sustainable online presence will be created. The new possibilities the internet offers are neglected and it is mostly used as a channel for television content distribution. This lack of supply for teenagers of audiovisual content on the internet will likely be filled by companies like Google. It is not clear if these teenagers will return at public television in the future.

### 6.2 Conclusion

The decline in viewing time of public broadcaster content by teenagers has decreased, because they are hardly targeted and their media behavior is changing. It seems that they have been put aside after some failed attempts in the past. The NPO also fails to reach the teenagers on the internet, where they spend half of their media time now. This problem is not paid attention to, because the group of teenagers is relatively small and television viewing in general is stable at 180 minutes a day. It is necessary to research the other target groups that have declined as well to understand the scale of the problem. It seems that all the audiences below the age of 65 have decreased in size. The NPO should be wary of the gap that is growing between the younger and the older audiences. The only way to have sustainable public broadcasting is when you engage the audience of the future. By focusing so much on the reach of television, the public broadcasters have lost track of their main purpose: supplying everybody with programs that inform, inspire and amuse. Content is king, so it should not matter on which medium it is consumed. It should matter that everybody has the choice between content from commercial channels and content from public broadcasters. The lack of choice for teenagers makes it unlikely that they will be aware of the presence of the independent, high-quality content the public broadcasters have to offer.

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## 7. Advice

The research in this dissertation was conducted to solve the problem that the 13 to 19 year olds are watching less television. The following policy question will be answered:

*How can the public broadcasters improve their reach among 13 to 19 year olds?*

The problem of declining television audiences is more extensive than just teenagers. It is part of a bigger worrying trend: almost all the audiences below the age of 65 are watching less television. The solutions that are offered to reach teenagers better, might also be applicable to other declining audiences. This advice will also show opportunities that were noticed along the way.

### 7.1 Five themes

Answering this problem requires more than one simple solution. It is necessary to strengthen the organization on all levels. To improve the reach among 13 to 19 year olds by the Dutch public broadcasting system opportunities are offered in five fields: (1) market & consumer, (2) technology, (3) business & management, (4) finance & economics and (5) policy & regulation. This advice will offer solutions to strengthen on the necessary parts.

#### 7.1.1 Market & consumer

- The viewer comes first  
A broadcaster should always consider the needs of the viewer first. Broadcasters are looking at the viewer from their own perspective. They perceive them simply as receivers of the broadcaster's ideas, ideologies and beliefs. The focus should be on what the viewer wants to have and not on what the broadcaster wants to give.
- Research  
Research the potential of programs and services beforehand. It is a waste of money to create a show that has no audience or launch a mobile application for a target group that owns no smartphones.
- Broadcast together  
With the new communication technologies it is relatively simple to involve them into the creation process. It is a waste to only bombard the viewers with content and not engage them.
- Offer movies and series  
Air more movies and series, instead of less. Teenagers want to watch fictional drama they can relate to. Although, it is hard to put personal stamp on this content, it is vital to reach young audiences and offers a good opportunity to promote other content for teenagers. Commercial broadcasters are partly so successful among teenagers, because they do broadcast a lot of movies and series. Movies and series that are produced by the broadcasters are also an effective ways to spread their ideas to teenagers. Foreign movies and series are probably too expensive and do not offer enough possibilities for the broadcasters to profile themselves.
- Reformulate the lifestyle-groups  
The lifestyle system is too rigid and makes it hard to adjust to developments in viewing behavior. The current system is too narrow and does not include small audiences. Program developers are basically creating programs for eight kinds of people, while the society is much more diverse than that.

- Put less focus on viewer ratings  
Focusing too much on the mainstream audiences makes it impossible to reach smaller audiences. The stress on high ratings makes it hard for broadcasters to target niche groups.
- Include Internet views  
Every started Internet stream should be added to the total amount of viewers of a show, instead of being put in a different category. Especially with the convergence of media of the future, every viewer should count.

### 7.1.2 Technology

- Uitzendinggemist 2.0  
Uitzendinggemist is an outdated website that only acts as an online television library. Instead of an archive, the Dutch site should be a constantly updated, interactive and personalized multimedia experience. Research on the German RTLNow website has shown that the viewing of most online shows peak within a day anyway - Viewers do not want to watch old television shows. Interactive personalized services like the BBC iPlayer, streams over 120 million programs a month and Hulu, a website that offers content from three big American broadcasters, streamed more than one billion shows in December 2009. Due to a lack of alternatives, Uitzendinggemist is growing, but by far not as fast as it could. The site could be a centralized place where communities can be created around the program formats. The opportunities to engage the viewer are endless.
- New media are an opportunity, not a threat  
New media like the Internet should be perceived as a great way to reach even more people. Opportunities are missed if there is too much focus on television. Research shows that the alternatives don't take away time from television viewing. Instead, they increase the total media usage. These forms of media are new possibilities to reach the Dutch population and teenagers in more ways.
- Innovate on the Internet  
Now is the time to innovate on the Internet. The public broadcasters should be leading the developments instead of following them. Currently, teenagers spend about the same time on the computer as on television. This offers an opportunity to reach smaller audiences, since there is no scarcity in programming scheduling on the internet.
- Open source  
Give developers access to the software of Dutch public broadcasting so it can be improved at no cost. Give them the option to enhance the technologies and create fans sites of their own or better video players, for example.

### 7.1.3 Business & management

- Attract new talent  
The best way to stay a part of society is by constantly attracting new talent and knowledge. Young employees bring new knowledge into the organization and might offer out-of-the-box solutions to long existing problems. New talent stirs innovation and carries broadcasting into the 21st century. The employee population with their rigid contracts is aging and does not renew enough.

- More flexibility  
Change is difficult when the organization is becoming too big and bureaucratic. The current broadcasting system is too fragmented to be managed efficiently. The 20+ broadcasters create so much overhead that it is becoming very expensive and rigid.
- Broaden programming focus  
Too much programming is aimed at fitting into the narrow three channel structure. Broadcasters should try to reach the viewer through a channel where this scarcity is non-existent: the Internet. The current system of three channels for 20+ broadcasters makes the programming space very scarce. It is hard to profile yourself as a broadcaster when you cannot offer a continuous supply of content to the viewer.
- New membership system  
The membership system is hopelessly outdated. This artifact from the beginning days of broadcasting is still based on the idea that people want to be represented by an association. With the individualization, audiences are so fragmented that every viewer is almost an audience on its own. It should be possible to count active online community members as well, for example.
- Produce content yourself  
Content should be created by the broadcasters themselves, instead of just putting a stamp of approval on it. Too much content is produced by external production houses. This is a dangerous development, because it decreases the importance of the broadcaster.

#### 7.1.4 Finance & economics

- Research spending  
Attract independent external consultants that can assess the spending of the organization. It is necessary to get an objective opinion about the way the budgets are allocated.
- Create efficiency incentives  
Make it worthwhile for employees to save money. In the current systems of individual budgets per broadcaster and program makes is very tempting to spend the whole budget. Awarding broadcasters for staying below budget with an innovation subsidy will encourage efficiency. On every level of the public broadcasting system, people should look for ways to reduce costs.

#### 7.1.5 Policy & regulation

- Communicate with politicians  
Politicians might know a lot about politics, but not necessarily about public broadcasting. Engage them to encourage an understanding of the complex broadcasting industry. The future of public broadcasting relies heavily on their political decisions.
- Communicate with voters  
During elections it is important to communicate the importance of broadcasting to voters. This awareness makes it more likely that a pro-public broadcasting government will be elected.

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