



# Structure of Media:

# TV

JOSEPH WESTON

# Ownership

- ▶ The TV industry, in the UK, employs around 50,000 people
- ▶ TV channels can be owned in one of two ways, either PRIVATELY or PUBLICALLY
- ▶ Private ownership is when the channel is funded by advertising. The channel is paid money by other companies to advertise their product during and between programmes
- ▶ Channels that are privately owned tend to have a large variety in programmes.
- ▶ Public ownership involve the channel being funded by the public. In the UK this is done through a TV Licence Fee, which is £145.50.
- ▶ These publically owned channels take in feedback from their audience and change their content based on it.

# Ownership

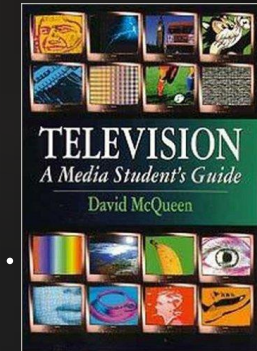


- ▶ Public ownership has many benefits, the largest of which being that there will always be a steady budget coming in (as long as TV licence is still around).
- ▶ Although they don't have as much control of what they produce due to it being shaped by feedback from the public, they know that this feedback will make their channel be the best they can to gain more viewers.
- ▶ When it comes to private ownership, though it does have the benefit of being in complete control of what they produce, they are funded by advertising.
- ▶ So to make sure they gain advertising for funding, the channel will need to make a large variety of shows so they can gain a varying demographic of viewers and, in turn, more companies wishing to advertise through them.

# Public Ownership - BBC



- ▶ The main publically owned channel is the [BBC](#), which was founded in 1922 by John Reith, and is the oldest national broadcasting organisation.
- ▶ Nowadays the Channel has grown to have many subsidiaries, including: [News](#) (Which fragments into local areas depending where you live), [Worldwide](#), [Symphony Orchestra](#) and many more.
- ▶ BBC 1 and 2 attracted 44% of average viewing figures (Peake 1992). Figures provided by the book "Television: A media student's guide" by David McQueen. ([Book obtained from the College Library](#)).
- ▶ The Channel sometimes has indirect and direct pressure exerted by the governing party, which can be seen through coverage of "controversial issues".



# Private Ownership – Channel 4 and ITV

- ▶ [Channel 4](#) was founded in 1982 and gains funding through advertising.
- ▶ Despite the source of funding, the company is ultimately publically owned.
- ▶ Main subsidiaries include: [4seven](#), [Film4](#) and [E4](#).
- ▶ [ITV](#) was launched in 1955 under the name “Independent Television” and is the oldest commercial network in the UK.
- ▶ The two main subsidiaries are [STV](#) and [UTV](#), which produce regional programming for Scotland and Northern Ireland.



# Integration

- ▶ There are two types of integration, VERTICAL and HORIZONTAL
- ▶ Vertical is when a single company owns the different sections on a production chain, i.e. a TV company would own the different parts of the production of a programme (writing, filming, editing, sourcing etc.).
- ▶ Horizontal integration involves a company owning multiple different outputs, such as a company making TV's, Phones and Games Consoles.
- ▶ Integration is a huge benefit within TV, as it allows for multiple sources of income, as well as developing other companies and subsidiaries.
- ▶ All of this adds to the amount of content various companies can produce for viewers.

# Integration - BBC

- ▶ Examples of both types of integration can be found within the BBC
- ▶ [BBC Studios and Post Production](#) are what cover the post production area of the programme production. This is an example of vertical integration
- ▶ For the programme “Doctor Who” the BBC need to produce DVD’s to sell for it. They do this by partnering with [2|Entertain](#), and is an example of horizontal integration

# Conglomerates and Multinationals

- ▶ The definition of conglomerate is a corporation that is made up of large amount of businesses. These businesses can sometimes be seemingly unrelated and will always run independently
- ▶ Similarly, a multinational company has various assets across the globe, with a particular office that is considered “The Head” or “Centre” of the corporation
- ▶ Being a conglomerate is beneficial toward making a much more varying TV channel, due to having lots of different businesses under their name. This would allow for a larger viewing demographic.
- ▶ A multinational channel would be better suited to a particular show or channel (E.g. News broadcast), as it is a single business that has access to different locations. As mentioned, news channels would benefit because they can get more stories they can broadcast.
- ▶ The BBC itself is a conglomerate, through it’s various and branching subsidiaries, but isn’t a multinational. However the subsidiary BBC Worldwide is multinational.



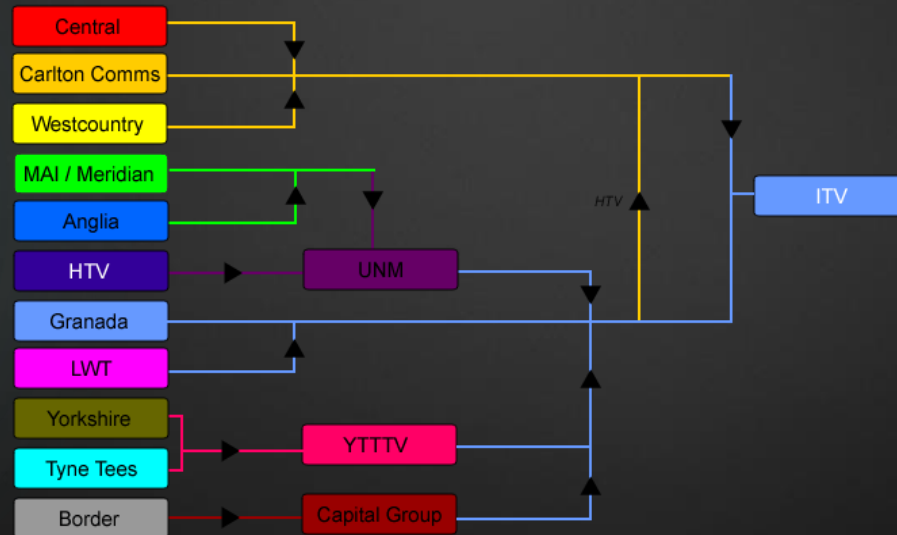
# Shares



- ▶ A shareholder is an someone who owns part of a company and can earn a potential profit from them
- ▶ In 1922, the BBC had six companies that had equal shares on them
- ▶ These included: Marconi's Wireless Telegraph Company, Metropolitan Vickers Electrical Company, Radio Communication Company, The British Thomson-Houston Company, The General Electric Company and Western Electric Company.
- ▶ These shareholders were entitled to 7.5% of the yearly earnings.

# Mergers

- ▶ A merger is when two companies become a single company for a mutual benefit
- ▶ The TV channel that is ITV today was created through the mergers of many companies they owned. This took place when the ownership laws were more relaxed in 1993. Below is a diagram that shows these mergers:



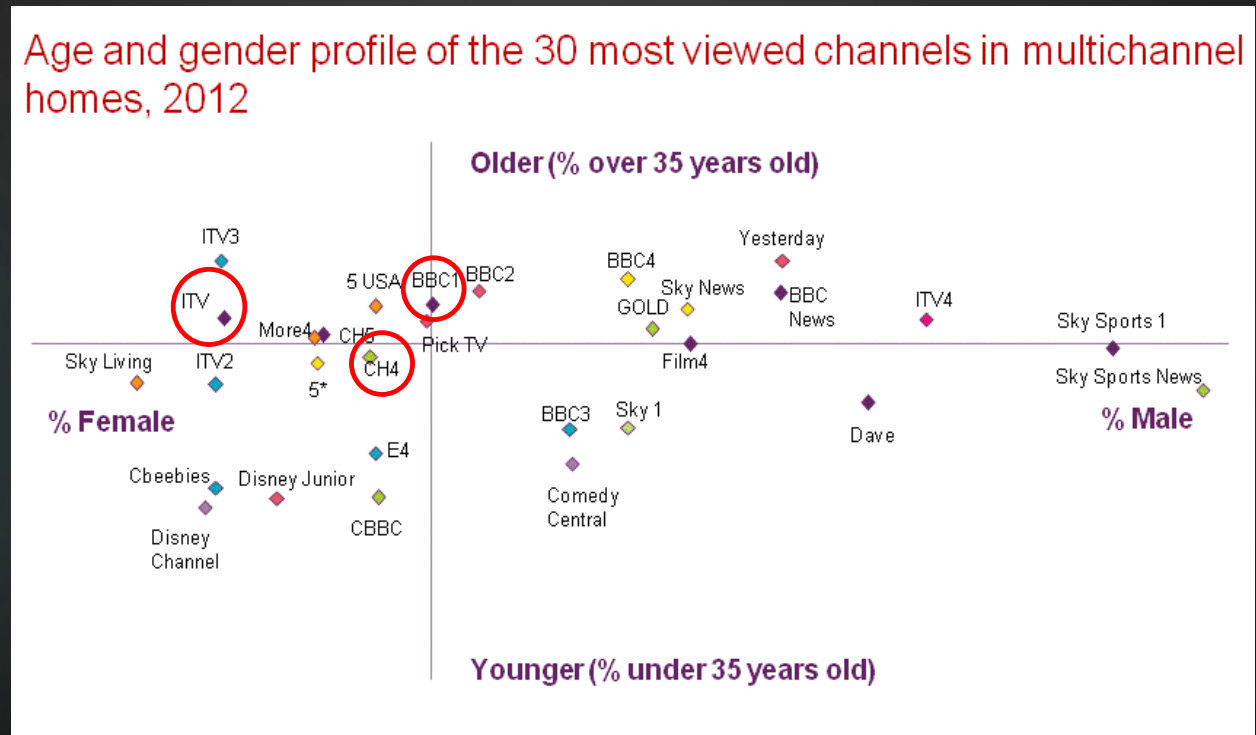
# Mergers



- ▶ Mergers can be beneficial as it will increase budget for both channels, and will increase the audience demographic for the new merged channel.
- ▶ It will also gain more attention to the channel due to people being curious toward the activity and can greatly elevate productivity due to the now increased workforce.

# Customers

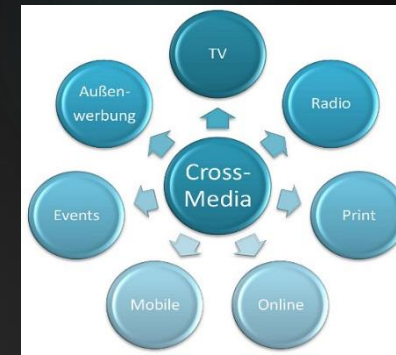
- ▶ The general kind of viewers (In gender and age) is shown quite accurately in the graph below. I have circled BBC1, ITV and Channel 4.



# Objectives

- ▶ Each Channel has a “goal” or “objective” that they try to achieve in their programming
- ▶ The BBC’s objective is “To Inform, Educate and Entertain”
- ▶ The ITV’s Channel objective is “to produce content that is relevant for a global market and that authentically portrays its audience”
- ▶ Finally, Channel 4 has a much longer objective in the form of a “Statement of Promises”. This can be found [here](#)

# Cross-Media



- ▶ This is simply when company uses multiple platforms of media to make a profit on a product. It is explained well [here](#)
- ▶ The BBC's main cross media subsidiaries are its four TV channels (BBC1, BBC2, BB3, and BB4), but also has radio channels along with various magazines
- ▶ Similar to the video above, the BBC has used the same industry for one of their TV programmes Doctor Who. Paired with company [Screenlife](#) (example of horizontal integration) the BBC produced the "Doctor Who: Scene It?" board game.

# Cross-Media Regulation



- ▶ To make sure that profits are shared fairly across the different companies operating the different media platforms, certain regulations have to be put in place to ensure this.
- ▶ The way this is done is by putting certain caps on how much a paired company can make
- ▶ For example: Murdoch's News Corporation which, currently, cannot own more than 20% of ITV

# Range of Products

- ▶ All the three channels have various products that they make
- ▶ In the way of programming: BBC1 primarily outputs factual shows, ITV mostly shows Soap Operas and Channel 4 focuses more on Reality and Sitcom programmes
- ▶ Each company also produce DVD's for their shows, an example of horizontal integration
- ▶ Furthermore, BBC also has a line of toys based on programmes like Doctor Who. These are produced by [Character toys PLC](#)