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“Broadcasters in our densely populated television landscape will have to differentiate themselves more clearly”

**“Interactivity and personalised media consumption are on the rise”**

**The economic recession is leading to a leaner television offering in the Netherlands. At the same time, major shifts are continuing to take place in the playing fields of producers, broadcasters and cable companies. Key words for the television future are: interactive, personalised and cross-media, explains PricewaterhouseCoopers television expert David Veerbeek.**

“The economic crisis and falling advertising income are having repercussions on the television industry. For commercial broadcasters, which are to a large degree dependent on advertising income, this is leading to shrinking programme budgets. The result of this is a leaner commercial television offering, which in my opinion in turn is reducing the healthy pressure on public broadcasters to compete for audience viewing figures. At the same time, such financial incentives for the public broadcasters are being kept at bay for the time being, because the present government is maintaining financing for them at current levels. Some disquiet in the

public system is being brought about by newcomer broadcasters such as PowNed and Wakker Nederland however, which are fuelling the discussion about multiformity and the public system’s right to exist.”

“The Netherlands is facing a high number of different channels. In the longer term the broadcasters need to differentiate more to attract the attention of the television-watching consumer. And that begins with knowing what the consumer wants. Television will still remain a passive, offering-driven medium for many people for the present, but interactivity and personalised media consumption are unmistakably on the rise. IPTV, video on demand and televisions with Internet browsers are creating the possibility to watch programmes whenever it is most convenient. Viewers are voting for their personal favourite in a television competition by sending SMS messages, buying magazines that are derived from a TV format and taking part in a slimming programme on the website of a TV show about food. The broadcaster that knows how to use cross-media to reach a specific target group and how to collect consumer data through interactivity is very attractive to advertisers.”

“These developments are also having an influence on the roles of other players in the television world. Television producers who have organised their Digital Rights

Management effectively are strengthening their position in respect of the broadcasters; they can circumvent them when they wish, and broadcast their content via their own Internet channel. The traditional cable companies are facing severe competition. For instance telecom companies will offer connectivity via glass fibre. New entrants via the cable need to be offered competitive cost prices. Collaboration with other players, such as hardware developers who are building the interactive television devices of the future for example, is a potential solution in this dynamic.”

“All these changes are demanding flexibility and attentiveness from broadcasters, producers and cable companies who are used to contributing to television from the supply side. Serving the consumer with demand-driven formats via several interactive channels requires qualities that no single traditional television company ever had to have in an integrated way. How can players make the most of this uncertain future and break through the existing compartmentalisation? I don’t believe that scale alone is per se the key to success; integrating acquired activities seldom appears to be a simple matter for most of the media companies. The best motto for the time being for every company seems to be to identify and focus on where your own core qualities lie. The economic crisis could perhaps be just the right period in which to make choices based on a clear strategy and to use collaboration to arrive at an integrated media approach.”