



University
of Glasgow

Flood Page, Michael (2015) *The development of BBC on-demand strategy 2003-2007: the Public Value Test and the iPlayer*. PhD thesis.

<http://theses.gla.ac.uk/6779/>

Copyright and moral rights for this thesis are retained by the author

A copy can be downloaded for personal non-commercial research or study

This thesis cannot be reproduced or quoted extensively from without first obtaining permission in writing from the Author

The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the Author

When referring to this work, full bibliographic details including the author, title, awarding institution and date of the thesis must be given

The development of BBC on-demand strategy 2003-2007: the Public Value Test and the iPlayer

Mike Flood Page

B.A. Hons.

Submitted in fulfilment of the requirements of the degree of

Doctor of Philosophy

Centre for Cultural Policy Research

School of Culture and Creative Arts

University of Glasgow

May 2015

© Mike Flood Page 2015

Abstract

This is a study of strategy development and implementation based upon interviews with senior BBC executives. It explores how and why the BBC became the first major UK broadcaster to pioneer on-demand and to devise a Public Value Test for all new services. It does so through three case studies: a regulatory mechanism, the Public Value Test, and two examples of digital innovation: the iPlayer on-demand service, and the BBC Creative Archive. The research questions are: how and why did the BBC develop and implement an on-demand strategy during its Charter renewal process between 2002 and 2007; what was the process; what factors affected the decision-makers, what issues and dilemmas did they confront; and how effective have they been?

This research investigates how the BBC responded to a two-fold crisis that threatened both the relevance and legitimacy of public service broadcasting. It builds upon an institutional perspective to examine how changes in the dynamics of UK broadcasting, in particular growing tensions between the institutional logics of public service and marketisation, affected the Corporation's incumbent position within its organisational field, and undermined its ability to launch innovative digital services such as the iPlayer, because of difficulties in establishing a clear distinction between what was legitimate public service online and what should be left to commercial competitors to provide. The findings illuminate the complex relationship between organisational legitimacy and institutional culture, and ask why the BBC devised the Public Value Test, first applied to its proposals for the iPlayer and on-demand provision, how successful this was in enabling the BBC to redefine its own remit, and what the consequences were. It finds that BBC strategy development combined elements of rational long-range planning with improvisation and opportunism, and suggests a dysfunctional relationship between its proactive approach to long-term planning and its process of digital innovation. This finding of a culture of innovation at the BBC challenges the argument that attributes "disruptive innovation" to private sector insurgents rather than incumbents, especially those in the public sector.

Table of Contents

Introduction.....	8
1.1 The BBC case studies	10
1.2 The strategy development process	14
1.3 Institutionalism and BBC strategy	15
1.4 Institutional Logics and the BBC.....	17
1.5 Research methodology.....	19
1.6 Organisation of this study	21
Chapter Two: Strategy, Innovation and Institutionalism	23
2.1 Institutionalism	24
Institutionalisation.....	27
Legitimacy	28
2.2 Strategy	29
Theories of strategy development.....	31
Rationalist, linear school.....	31
Interpretative and adaptive approaches.....	32
2.3 Innovation	34
2.4 Strategy, innovation and institutions.....	37
2.5 Field theory	37
Organisational field.....	38
2.6 Institutional logics.....	40
Institutional logic and change, structure and agency	43
Public service broadcasting.....	44
Universal access.....	45
Marketisation	48
2.7 Conclusion	49
Chapter Three: The BBC's changing organisational field 1980s-2003	52
3.1 The BBC as an institution	52
3.2 The BBC and the UK broadcast field	54
3.3 Political pressures	55
3.4 Multichannel competition	57
3.5 Digital platforms and universal access	58
3.6 Digital television and radio	59
3.7 The Internet and BBC Online	61
3.8 The Hever strategy process.....	64
3.9 Freeview and Freesat	65
3.10 Charter renewal.....	67
3.11 Governance	68
3.12 Rethinking public service	69
3.13 The second digital revolution.....	71
3.14 Conclusion	73
Chapter Four: Research Methodology	75
4.1 Research design	75
4.2 Desk research.....	79
Sources.....	79
4.3 My role: from participant to observer	81
4.4 Case studies.....	84
4.5 Interviews.....	86
The sample	87

The semi-structured interview	88
Analysis.....	90
4.6 Ethical considerations	92
4.7 Conclusion	93
Chapter Five: Public Value and the Public Value Test.....	95
5.1 Why study the Public Value Test?.....	97
5.2 Public Value: the process of adoption	99
5.3 The development of the Public Value Test.....	101
5.4 Factors in the adoption of Public Value and the Test	104
5.5 The concept of Public Value.....	106
5.6 The boundary between public service and private sector	108
The Graf Review	111
BBC Digital Curriculum	112
5.7 The implementation of the Public Value Test	114
Measuring Public Value.....	116
The institutionalisation of the Test	118
5.8 The strategic effectiveness of the Public Value Test	119
5.9 Conclusion	122
Chapter Six: The iPlayer and on-demand	124
6.1 The case for studying the iPlayer.....	124
6.2 The development process.....	126
6.3 The implementation process	131
6.4 Factors affecting the adoption of on-demand	134
Long-range planning.....	134
A culture of innovation	136
A new rights framework	137
A decentralised structure.....	138
Institutional resistance	138
The boundary between commercial and public service	141
Government policy objectives	143
Consumer appeal.....	144
The Public Value of iPlayer.....	146
6.5 The first Test: legitimacy, consumer and citizen value	148
6.6 How effective a strategy?.....	154
6.7 Conclusion	157
Chapter Seven: the Creative Archive and multiplatform.....	160
7.1 Why study the Creative Archive.....	161
7.2 The development process.....	163
7.3 Factors which shaped the Creative Archive.....	167
Innovation Culture	167
Public Value.....	168
Competition with iPlayer	172
The role of leadership	172
Weak evidence of demand	173
Institutional resistance	175
The boundary between public service and commercial interest	175
Rights	177
Legitimacy	179
7.4 Effective strategy development.....	182
7.5 Conclusion	185
Chapter Eight: Conclusion.....	188
8.1 Strategy process	190
8.2 Factors affecting strategy development	192

8.3	Effectiveness of BBC Strategy	196
8.4	Implications for Theory	200
8.5	Limitations of this study	206
8.6	Possibilities for further research	207
8.7	Conclusion	209
	Appendices.....	211
9.1	Appendix 1 – Invitation email	211
9.2	Appendix 2 – Consent form.....	212
9.3	Appendix 3 – Interview Schedule.....	213
9.4	Appendix 4 – Interviews.....	215
	List of References	220

Acknowledgements

The process of researching and writing a thesis can be rewarding and exhilarating, and at times lonely and discouraging, but it is above all a social activity. This document is socially constructed, drawing upon, recreating and I hope contributing to the conversation that constitutes media studies. It owes a great deal to the encouragement, insights and inspiration of a number of people. In particular I would like to thank my sage and long-suffering supervisors Professor Philip Schlesinger and Professor Gillian Doyle; my interviewees, not just those quoted directly but all who were kind enough to give me their time; the staff of the BBC Written Archives; and a number of new-found academic colleagues who have been generous in sharing their experience and often their unpublished work with a rather late-developing student. In particular I would like to single out Dr. James Bennett, Terje Colbjørnsen, Dr. James Roberts, Dr. Niki Strange, the members of the European Media Management Association, and the staff and students at the Centre for Cultural Policy Research at the University of Glasgow. I would also like to thank David McGirr, Susanna Siddiqui and Tara Solesbury; and finally most of all, my thanks to Professor Angela Phillips.

The research methodology employed in this study has received clearance from the University of Glasgow Ethics Committee.

Author's Declaration

This thesis represents the original work of Mike Flood Page unless otherwise stated in the text. The research on which it was based was carried out at the University of Glasgow under the academic supervision of Professor Philip Schlesinger and Professor Gillian Doyle during the period January 2012 to May 2015.

Introduction

This is a study of strategy development at the BBC during its Charter renewal process between 2002 and 2007. It explores how and why the BBC became the first major UK broadcaster to develop and popularise catch-up television through streaming and on-demand, and also how and why it devised a Public Value Test for all such new service proposals. The research is based upon interviews with former and current executives from the BBC Executive, Strategy, Education and New Media departments.

Through first-hand accounts from those directly involved in three case studies: the Public Value Test, and two examples of digital innovation: the iPlayer on-demand service, and the BBC Creative Archive which offered audiences the chance to access and use the Corporation's back catalogue, it asks how the BBC's leadership made sense of the challenges it then faced and why it acted as it did. The research questions are: how and why did the BBC develop *and* implement an on-demand strategy; what was the process; what factors affected the decision-makers; and how effective or successful have they been?

The findings describe how the BBC was responding to a two-fold crisis that threatened both the relevance and legitimacy of public service broadcasting. The study builds upon an institutionalist perspective to examine how changes in the dynamics within the BBC's organisational field, in particular the relationship between challengers and incumbents and growing tensions between the institutional logics of public service and marketisation, affected the Corporation's position in UK broadcasting and undermined its ability to launch innovative digital services such as the iPlayer. As the BBC's proposals for new digital services came under attack for encroaching unfairly on the market, the Corporation found it increasingly difficult to establish a clear distinction between what was legitimate public service online and what should be left to commercial competitors to provide.

The research investigates why the BBC decided to resolve this dilemma by appropriating the concept of Public Value from public sector management theory and by proposing a novel regulatory measure, the Public Value Test. The BBC's proposals for the iPlayer and on-demand were the first services to be put through the Test, which therefore made operational a new definition of the legitimate limits of public service online. The development of the iPlayer and that of the Test were bound up together, and were

accompanied by a parallel retreat by the BBC from other forms of multiplatform development and production, exemplified by projects such as the Creative Archive (Bennett et al., 2012).

The research finds that BBC strategy development during this period combined elements of rational long-range planning with improvisation and opportunism. When threatened, the BBC was capable of being prescient, pro-active, and ready to adapt, yet it also displayed a dysfunctional relationship between its high-level forecasting and strategy development and its process of digital innovation and implementation. The implication is that the process of innovation that produced the iPlayer and on-demand services was unplanned and emergent rather than the outcome of rational strategic planning.

These developments also illustrate the BBC's willingness to redefine its own remit and the ground rules of public service in order to survive, and some of the long-term consequences of this. The existence of a pipeline of innovation at the BBC challenges Christensen's (1997) theory of "disruptive innovation" that argues that an established incumbent such as the BBC, especially one in the public sector, is unlikely to be capable of innovation. It also raises questions about analyses that emphasise the role of a production culture, and about the relationship between institutional culture and organisational legitimacy.

This introductory chapter begins with an examination of the reasons for focusing on the BBC and these three case studies, and then looks at the rationale for each of my research questions: firstly the process of strategy development and implementation, then the factors which shaped this development, and finally the effectiveness of the strategy for the BBC as an institution. I then set out the reasoning for my use of an institutionalist conceptual approach to strategy development, innovation and implementation, and how this can contribute to an understanding of the crisis in public service broadcasting. I then describe my methodological approach, before concluding with a note on the organisation of this thesis.

1.1 The BBC case studies

One important reason for focusing on BBC strategy development and these three cases studies in particular during the period of Charter review from 2003 onwards is that it enables me to explore how the BBC responded to a crisis, and moreover a crisis that was symptomatic of and shared with other public service broadcasters across Europe.

The BBC has distinctive features as a public service institution and was at the time the pre-eminent European public service broadcaster, and a powerful incumbent within the field of British television. My focus is on the period of Charter renewal, a critical time when the Corporation's fundamental rationale is put under intense scrutiny and called into question, and the tensions operative on, and being mediated by, the BBC are thrown into sharp relief. The routinised crisis of Charter renewal was exacerbated by other factors. An immediate issue was a fracas with the government over the BBC's Iraq war reporting which led to the Hutton Report (Hutton, 2004), which was specific to the BBC. However the more deep-seated source of the crisis was not confined to the BBC but common to public service broadcasters across Europe. The case for public service broadcasting was increasingly being undermined by the growth of multi-channel and digital television in the form of pay-tv providers on both cable and satellite platforms, and by the process of marketisation. The way the BBC addressed this crisis therefore had significance beyond the Corporation itself.

This crisis had two dimensions: firstly the BBC feared losing relevance, reach and share because of rapidly changing media technology and audience expectations and looked to develop new services such as the on-demand proposals to help it reconnect with audiences. Secondly, whenever it attempted to launch new digital services such as the iPlayer, it faced criticism on the grounds of adverse market impact. The pressure of marketisation posed a growing threat to the legitimacy of the ambitions of the BBC and other public service broadcasters (PSBs) hoping to exploit the potential of online to extend their traditional remit.

Addressing my research questions to the three case studies offers an opportunity to explore in some detail how and why the BBC responded to this crisis, some of the consequences for the BBC itself, and for the wider organisational fields of public service broadcasting and UK television.

The BBC's response took the form of its Charter renewal bid document *Building Public Value*, which featured each of my three case studies. How they became part of the bid and why, and what happened when the BBC moved from formulation to implementation in each case is the focus of this research.

The first case study, the iPlayer, was the flagship of the BBC's on-demand proposals, which also included what later became the YouView set-top box and the online BBC Archive. One interviewee describes the introduction of the iPlayer as "a transformational change for the BBC" (Deverell Interview, 2014). Where the BBC led others followed. A combination of on-demand and streaming services like the iPlayer together with the deployment of social media for audience participation and feedback has since become a template for digital media strategy not just for the BBC, but also for other leading UK broadcasters including ITV, Channel 4 and Sky. The impact on European public service has been equally significant, leading it to be seen as a key moment in a transition that has been described as one from public service *broadcasting* to public service *media*; by which is meant the delivery of public service objectives on media platforms other than broadcast television and radio (Lowe and Bardoel, 2007, pp.9-26; Donders, 2012, pp.40-28).

When the iPlayer was first proposed many in television, even within the BBC, questioned whether viewers would ever be prepared to watch programmes on anything other than a television set. Today audiences take it for granted that they will be able to access programming anytime, anywhere and on any device they wish. The BBC was not the first UK broadcaster to launch an online media player for its general output, because other television companies caught up during the five years it took the BBC to develop the iPlayer. However, as the BBC's then Director of Future Media and Technology Eric Huggers has claimed, the BBC service was arguably the first to get it right (quoted in Thorsen, 2012, p.26).

The innovation of the iPlayer helped usher in an era in which many aspects of broadcasting have been subject to change, not only in the UK but also internationally. Netflix CEO, Reed Hastings, credits the BBC service with paving the way for other new online-only providers such as Netflix because it helped accustom British audiences to on-demand viewing (Williams, 2014). This process has had implications for production, distribution, technology, business models, and audience behaviour. However while some other features of the BBC's digital media presence have been the subjects of academic study, few if any

have focused attention on the origins, development and implementation of its on-demand services. This is an opportunity to do so.

The BBC was equally influential in the second aspect of its response. This addressed the vexed question of how to justify its online presence to make it possible for the Corporation to launch new services. It proposed to do this through the redefinition of public service broadcasting as Public Value and by devising a new regulatory mechanism, the Public Value Test, to measure this. The first service to be put through the Test was its on-demand services including the iPlayer. The outcome was critical for the legitimacy of the iPlayer, the Test and the BBC itself. It also had implications for other PSBs across Europe where similar test mechanisms have been widely adopted and incorporated into European media regulation (Brevini, 2013, p.150).

This case study affords an opportunity to examine, through first-hand accounts, how the BBC developed such a response and therefore has implications for the question of how other PSBs responded to this crisis of legitimacy and the increasing pressure of marketisation. Also as a powerful, though increasingly challenged, incumbent within the field of British television, how the BBC interpreted the crisis and acted has implications for broader questions about institutional analysis of this organisational field.

At the same time that the iPlayer and on-demand services were becoming the defining feature of the Corporation's digital presence, the BBC was beginning to switch its digital media production focus away from another kind of project, known as "multiplatform" that included the Creative Archive. The case study of the Creative Archive enables an exploration of why this happened, what the relationship between the two developments was, and what this can tell us about BBC strategy development and implementation. "On-demand" is used here to denote the provision of legacy media: television and radio programming on-line and on a range of devices both on-demand and live, via download, and streaming. "Multiplatform" in contrast denotes any project using online or mobile Internet, which aims to engage the audience by using the interactive potential of digital media to offer opportunities for active participation. This potential for projects such as the Creative Archive to deliver public service objectives through participation, voting, contribution and a creative partnership with the audience is one of the defining elements of public service media according to advocates of this term such as the contributors to Lowe and Bardoel (2007). There is a further reason for examining this case study. The BBC itself placed great emphasis on multiplatform development in its Charter renewal bid document

Building Public Value. At the time no distinction was made between on-demand and multiplatform proposals. However by the time the iPlayer launched in 2007, the Creative Archive along with several other multiplatform projects showcased in the Charter bid had been abandoned.

There have been a number of studies of individual multiplatform projects, for instance Hermida (2010) on iCan, and Michalis (2012a) on the Digital Curriculum, and one body of research, by Bennett and colleagues, that has investigated the question of the relationship between the decline of multiplatform and the rise of the iPlayer (Bennett and Kerr, 2012; Bennett et al., 2012; Bennett, 2014). Bennett and colleagues approach their research from a production studies perspective, which emphasises the role of a production culture within the BBC. Their work found that television producers resisted the adoption of multiplatform production processes, whereas by contrast the iPlayer and on-demand services were seen by programme-makers as a natural fit and readily accepted.

This approach has produced valuable insights but it fails to ask what part contextual factors such as the changing nature of public service media, marketisation and the dynamics of the UK broadcasting might have played in the BBC's thinking. This study aims to address that lacuna by bringing to bear an institutionalist perspective to explore the relationship between institutional logic, legitimacy and production culture in relation to the development of the BBC's new media strategy.

A further reason for examining these case studies is that they raise questions about a widely accepted view of the innovation process. Innovation, often an important weapon in the strategist's armoury, is used here in the sense of something more than simple invention. It is "a process of turning opportunity into new ideas and of putting these into widely-used practice" (Tidd, Bessant and Pavitt, 2009, p.895). Both the iPlayer and the Creative Archive were part of a pipeline of innovative digital media projects of which the iPlayer was to prove only the most successful and influential. They were showcased in *Building Public Value* as examples of the BBC's commitment to renew itself to address the digital age (BBC, 2004a, p.8). This runs counter to one influential account typified by Christensen in the *Innovator's Dilemma* (1997) and repeated by Lotz (2014, p.11) in her discussion of US television's transition to on-demand and streaming media. This account views incumbent institutions, especially those in the public sector, as too hidebound and sclerotic to innovate. Innovation, it's argued is more likely to (or in some versions of this view *can only*) come from insurgent private companies, typically plucky little garage start-ups. Yet

with the introduction of on-demand and streaming services the BBC, an established legacy media organisation, played the role of leading industry innovator. In some cases its UK rivals took years to catch up.

In contrast to Christensen, Mintzberg offers a different explanation for how innovation occurs, identifying the features of what he describes as the “innovative organisation” which include small “adhocratic” autonomous groups acting on their own initiative. Part of the purpose of these case studies therefore is to explore how a new idea can become institutionalised as an innovation and to draw out the implications for theories of innovation and the innovative potential of the public sector.

1.2 The strategy development process

The first research question concerns the strategy development process. I extend this to include a focus on strategy implementation and the relationship of both to innovation. There are several reasons for this. Strategy is an elusive concept and is typically defined by its scale, scope and importance for an organisation’s overall direction and survival. It is both a lay term used within management literature, and an object of academic study. As Mintzberg and colleagues (2003, p.81) put it: “for our purposes a strategy is a set of objectives, policies and plans that, taken together, define the scope of the enterprise and its approach to survival and success”. This contrasts with the study of policy, which focuses on formal positions, guidance and regulation. A policy perspective informs much of the academic discussion of the invention of the Public Value Test, and its relationship with the development of BBC digital media (Smith, 2007; Lee, Oakley Naylor, 2011; Michalis, 2010; 2012a; 2012b). Strategy is more all-inclusive as a concept. In particular, when used within an institutionalist context as I discuss below, it allows for a far wider range of factors to be taken into account, and provides a dynamic framework for doing so. As Freedman writes, “strategy remains the best word we have for expressing attempts to think about actions in advance, in the light of our goals and capacities” (2013, p. x).

The BBC in the early 2000s was an institution with dedicated policy and strategy apparatus wedded to the idea of long-term strategic planning. This was the legacy of a previous Director-General, John Birt, who built up the department in the 1990s in response to the threats the BBC then saw itself facing. One of the striking features of the BBC during the period under investigation is that despite this commitment to long-term planning, it was also the case that some of the developments that have taken on strategic importance in the

sense described, including both the iPlayer and the Creative Archive, did not originate within the strategy apparatus, but from elsewhere in the Corporation. These case studies help throw light on the different forms which strategy development can take within an incumbent public service media organisation as it responds to threats to its survival.

To understand this process this study draws upon two complementary schools of thought about strategy development: the rational linear, which sees strategy as a forward-looking plan designed to achieve a position of maximum competitive advantage (Porter, 1979), and the interpretive school, which views it as an emergent pattern that may only become apparent with hindsight (Mintzberg, 1987a). The latter characterises strategy as a constant process of adaptation with both long-term continuities and short-term ad hoc and opportunistic elements. To understand strategy, according to Mintzberg and colleagues (2003, p. xiii), it is as important to focus on execution as on intention, “in reality, formulation and implementation are intertwined as complex interactive processes in which politics, values, organisational culture, and management styles determine or constrain particular strategic decisions”. In this case the development of the Public Value Test and the iPlayer, and the example of the failure of the Creative Archive enable me to explore to what extent and why strategy is the outcome of rational planning, and to what extent it represents an unintentional emergent social phenomenon that becomes institutionalised as strategy. This also suggests that to understand these developments I need to focus on the BBC’s process of innovation and adaptation beyond the strategy apparatus and to ask to what extent the iPlayer came about because of, or despite, the institutional character of the BBC.

1.3 Institutionalism and BBC strategy

The theoretical approach I draw upon to explore the factors that helped shape BBC strategy development is that of institutionalism. This focuses attention on the features of the BBC as an institution, that is, as a social phenomenon that is socially constructed and iteratively reproduced. Institutionalism posits institutions as the basic elements of society, which are experienced as “social facts” exterior to and independent of the consciousness of individual social actors. An important characteristic is that they have their own institutional logic which may be internalised and guide the actions of their members, including those developing strategy. They provide routine scripts for action, and act as short cuts to understanding and making sense of the uncertainty of the world around us. They have their

own institutional rationality, which may not always be the same thing as instrumental rationality (Schlesinger, 2004).

An institution may be an established social structure such as the law, or marriage, or an organisation such as the BBC, or an everyday recurrent social practice such as a formal contract, or a footpath. Institutions are seen as having both concrete and cognitive or cultural aspects and tend to endure through time. They may be contested and challenged or become seen as being an unquestioned part of the “natural” social order. Typically they have shared norms, rules and regulatory frameworks (Jepperson, 1991; Powell and DiMaggio, 1991a; Schlesinger 2004; Scott, 2008).

The reason for adopting a new institutionalist perspective is that it situates the behaviour of the BBC’s strategic decision-makers within their wider organisational context.

Institutionalism emphasises how a body such as the BBC refracts and responds to changes in its wider environment and proposes that to understand the behaviour of an organisation such as the BBC it is not enough to examine its structure and culture alone. In addition we need to analyse its context or organisational field because environments, “penetrate the organization, creating the lens through which actors view the world, and the very categories of structure, action, and thought” (Powell and DiMaggio, 1991a, p.12).

Therefore BBC strategy development should be examined in relation to the dynamics of the wider “organisational field” or “strategic action field”, in this instance UK broadcasting. Within the field “challengers” such as BskyB or Netflix contend with “incumbents” such as the BBC and ITV for dominance and employ a variety of strategies to change the rules of the game, aiming to achieve a “settlement” on terms favourable to themselves (Powell and DiMaggio, 1991a; Bourdieu, 1996; Fligstein and McAdam, 2012; Scott, 2014). The award of a new Royal Charter to the BBC following negotiations over its terms can be seen as one such settlement.

Institutionalism proposes that the implementation of strategy or of an innovation like the iPlayer or a new regulatory mechanism such as the Public Value Test may be seen as aspects of a process of institutionalisation i.e. the social construction and reproduction of a collective reality (Berger and Luckman, 1967; Powell and DiMaggio, 1991a; Scott, 2014).

One strand of institutionalist thinking, the strategic action field approach taken by Fligstein and McAdam (2012), is particularly relevant here. They posit an organisational field as a

site of continual struggle between incumbents and insurgents. A key locus of such contention according to this theory is the institutional logic, or rules of the game within an organisational field. Contending institutions compete to define and change these rules in their own favour. Such struggles, they suggest, tend to occur around control of what they describe as internal governance units, the bodies that set the rules; and also are likely to culminate, if only for a time, with some form of field settlement. For the BBC this would suggest we should examine its relationship with its Board of Governors, the BBC Trust, and Ofcom in relation to its proposal of new regulatory measures such as the Public Value Test. This study is an opportunity to explore what insights this perspective could add to existing accounts and conversely, what implications my findings might have for strategic action field analysis.

Legitimacy, that is, how an organisation can explain and justify its actions, is key, and achieving legitimacy is an organisational imperative (Berger and Luckman, 1967, p.79). A critical source of legitimacy comes from success in meeting, or better defining, the rules that govern the organisational field. These rules are conceived of as “institutional logics” enshrined in common practices and understandings or in statutory measures such as the Public Value Test and the BBC Charter, and regulatory bodies such as the BBC Trust or Ofcom (Friedland and Alford, 1991).

1.4 Institutional Logics and the BBC

The relevance of this approach can be seen when we look at the institution of the BBC and its history and organisational field in the period under study. Historically the relevant institutional logic for understanding the BBC has been that of public service broadcasting. It has traditionally derived its legitimacy from being seen to deliver on its public service remit. Any threat to its ability to do so has always had the potential to undermine the BBC’s legitimacy, that is, public trust in the BBC, and its source of funding, the licence fee, so putting its survival at risk (Born, 2004; Iosifidis, 2007; Hendy, 2013).

As the UK’s leading public service broadcaster the BBC occupies a central but contested place in public life and has done so since its foundation (Seaton, 2010, p.343; Hendy, 2013, p.5). Its remit and licence fee are set out in a Royal Charter, which is subject to periodic review by Parliament. The BBC’s mission is to “inform, educate and entertain” and to provide universal access to its programmes and services to its audience (Iosifidis, 2007; Seaton, 2010; Hendy, 2013, p.14). The process of Charter renewal becomes

therefore an occasion when every aspect of the BBC is exposed to close inspection and when its fundamental rationale is revisited. It must re-examine its remit and argue the case for its continued survival. In institutionalist terms it could be described as a routinised crisis of legitimacy (Iosifidis, 2007; Seaton, 2010; Hendy, 2013; BBC Trust, n.d.d).

From an institutionalist perspective therefore, the period of Charter renewal is a good focus for a study of the Corporation. The tensions operative on and being mediated by the BBC – in this case between public service and marketisation - are thrown into sharp relief. Each of my case studies, the iPlayer, the Creative Archive and the Public Value Test featured prominently in the BBC's bid for Charter renewal. These case studies enable an examination of how the BBC negotiated these tensions, how a powerful broadcast incumbent such as the BBC responded to the crisis in public service at a key moment of transition, and how aspects of that response became institutionalised.

The second dominant logic is that of marketisation, which has increasingly impinged upon the public service model, changing the grounds on which the BBC has to justify its activities. In the UK until the 1980s public service broadcasting was the norm. The BBC and its commercial rival ITV co-existed in a comfortable duopoly. This state of affairs was disrupted in the UK by the then Conservative government led by Margaret Thatcher, which implemented a pro-market neo-liberal economic policy. The public service rationale for the BBC “had frayed” and “was no answer to the evangelical belief, shared by the Thatcher and Reagan governments, in market competition as the only guarantee of freedom” (Seaton, 2015, p.304).

The marketisation process was continued by successive governments, and reinforced by European broadcasting legislation, which has increasingly come to shift its emphasis from public service broadcasting as a positive mechanism for delivering certain desirable social policy and cultural goals towards giving more weight to market and competition issues (Brevini, 2013). The key values of marketisation include competition, the profit motive, choice, privatisation, liberalisation, deregulation, cost-benefit analysis, transparency and accountability (Iosifidis, 2007; Hendy, 2013, pp. 90ff).

The impact of marketisation has been seen in increasing demands for the BBC to become more accountable, business-like and efficient, to launch its own commercial division to provide commercial services to help pay its way, and to draw back from some areas of activity, particularly in online (Collins, 2011, p.53; Brevini, 2013, pp. 26-28).

The arrival of new competitors in the form of cable and satellite television providers with a pay-tv model led to an explosion of channels and declining and fragmenting audiences, further challenging the PSB model predicated upon spectrum scarcity with one based upon greater consumer choice and control (Seaton, 2010; Hendy, 2013, pp. 90-95). While Sky's launch of digital television channels on satellite in the UK in 1998 posed a further threat: the BBC now feared losing its ability to deliver universal access to licence-fee payers and being held to ransom by commercial platform owners who could become gatekeepers between the BBC and its audience (Birt, 2002).

In response the BBC launched its own portfolio of channels on all digital platforms; www.bbc.co.uk rapidly became Europe's leading Internet service; and the Freeview Digital Terrestrial Television platform and set-top box became at the time the UK's fastest-growing new consumer product (Küng, 2005, p.5; Starks, 2007, p.84). At the time of charter renewal BBC online had been expanding rapidly with an increasing budget, and experimenting with ambitious and innovative projects. However the very success of the new services provoked a growing clamour from commercial rivals, echoed by growing concern at the European level, that it was trespassing on commercial territory and having an adverse impact on the market (Elstein et al., 2004; Collins, 2011; Iosifidis, 2012).

This issue of where and how to draw the line between what could and should be the province of public service online and what should be left to market provision became the subject of an independent enquiry commissioned by the Department for Culture, Media and Sport (DCMS). This found that the BBC did not have an adverse impact upon the market but called for it to be reduced in size and scope, and criticised its governance, leaving the issue unresolved (Graf, 2004). Thus at the time that it faced Charter renewal in 2003, the BBC was facing a number of threats in its organisational field, most significantly in institutional terms the growing pressure of marketisation.

1.5 Research methodology

My research approach is qualitative, inductive and interpretative, rather than scientific or positivist. Qualitative methods are designed to explore how certain actors at a particular moment make sense of the threats and opportunities which they see confronting them. They focus questions of why and how rather than who or what (Schlesinger, 1987, p.11; Doyle and Frith, 2004, p.6; Bryman, 2008, p.366).

I adopt a “critical realist” approach that is suitable for an institutionalist enquiry as it aims to contextualise this understanding within the dynamics of the broader social structures such as UK broadcasting, which it sees as continually being reproduced and transformed through social interaction (Deacon et al., 2010, p.9; Alvesson, 2011).

My methods include: desk, online and archive research; three case studies of the Public Value Test, the iPlayer and the BBC Creative Archive; and semi-structured interviews with current and former senior BBC executives.

My desk research process is an iterative one that draws upon a range of sources, primary and secondary, documentary and online, together with what I learned through conferences, seminars and workshops.

The third of my research questions concerns the evaluation of the success of the effectiveness of the strategy developments in each of my case studies. This raises a number of methodological issues. We can test a formalised strategy against its objectives, but how do we form judgements about emergent strategy? We may choose to impute particular goals, such as corporate profit, competitive advantage, or delivery on a public services remit. We can look at this from an institutionalist perspective; this would suggest we should ask what the institution, and our interviewees, saw as the objectives at the time. From this we could infer that the key measure was institutional survival, and the continued existence of the BBC as a powerful incumbent within its organisational field, and perhaps some more proximate aims which could contribute to that objective.

I adopt a case study method that aims to answer ‘how’ and ‘why’, to investigate the dynamics of social phenomena in depth and over time, and to provide rich information to help the researcher to generate new questions and hypotheses.

Case studies face questions of validity and bias, and are criticised for attempting to generalise on the basis of a single instance (Brewerton and Millward, 2001, p.56; Bryman, 2008, p.55; Flyvberg, 2006, p.219). However case studies are also widely used in natural and social science both to generate hypotheses and to test theory (Brewerton and Millward, 2001, p.56; Bryman, 2008, p.57).

The principal source of my research findings come from a series of semi-structured interviews with former and serving BBC executives. As strategy is a moving target, the

sample developed using the snowball technique whereby initial contacts suggested further contacts. It was designed to select people who had direct involvement in my case studies (Brewerton and Millward, 2001, p.116; Bryman, 2008, p.184). In order to mitigate the risk of bias and reliability, the interviews were crosschecked against each other and the other source materials from the desk research.

Previous research (with the notable exception of that by Bennett et al., 2012) has tended to rely on public statements and documents, regulations and statute. What I felt this study could also bring, by virtue of my own experience, was the chance to speak to some of the people involved. This is the first study that I am aware of that is based upon interviews with some of the BBC executives, past and present, who were directly responsible for the BBC's adoption and development of strategy in all three case studies.

Ethical concerns are addressed by my being as transparent as possible about my methods, sources and assumptions, and giving each interviewee a clear understanding of the nature of the research, and an opportunity to check their contribution before publication. The University of Glasgow Ethics Committee has cleared the procedure adopted.

I came to this research after a career as an executive in both television and digital media, so I began with some insider understanding of my subjects' world. However by the same token there was a risk that my approach to conducting and interpreting their interviews may have been affected by unconscious assumptions that I share with them (Bryman, 2008, p.391; Alvesson, 2011, p.6). This meant I had to practice a form of critical reflexivity with an awareness of the socially reproduced nature of every stage of the research process itself, and to question assumptions including my own, explore alternative explanations and crosscheck my research against other primary and secondary sources. I also had to be alert to evidence that ran counter to my expectations, as indeed my main finding did. The unexpected discovery that the strategists' preoccupation was how to justify new services and redefine public service proved pivotal and changed the course of my research.

1.6 Organisation of this study

This thesis is organised as follows: the next chapter sets out my conceptual approach, and then I explore the historical background, before explaining my methodology. Three chapters follow reporting on my research findings devoted to the strategic development of

the Public Value Test, the iPlayer and on-demand services, and the Creative Archive. I conclude with an examination of the implications of my findings and suggest some possible directions for further research.

Chapter Two: Strategy, Innovation and Institutionalism

In this chapter I examine the relevant theoretical literature on organisational behaviour, strategy development and innovation and set out the reasons why I draw upon the institutionalist perspective to establish a conceptual basis for framing my research and analysis. My research questions are: how and why did the BBC develop and implement an on-demand strategy between 2002 and 2007; what was the process, which factors affected the decision-makers, and how effective has this strategic development been? My aim is to try to understand what challenges the BBC leadership understood itself to be facing at that particular moment in time, how it interpreted them and why it acted upon them as it did.

Institutional theory has developed a range of concepts with implications for the study of organisational behaviour and strategic change. Institutions are seen as social facts, a collective reality, socially constructed and iteratively reproduced through social interaction. Whether the institution being studied is the family, a footpath, religion, or public service broadcasting, it is brought into being through a process of “institutionalisation” (Berger and Luckman, 1967; Powell and DiMaggio, 1991; Scott, 2014). Institutionalism explores this process within the context of the characteristics of the wider “field” of an institution or organisation (Powell and DiMaggio, 1991; Bourdieu and Waquant, 1992; Scott, 2014).

The institutional approach proposes an analysis in terms of the dynamics of an institution’s “organisational field” or a “strategic action field” in which “challengers” contend with “incumbents” for dominance and actors use a range of strategies to seek a “settlement” on favourable terms. These actors could be competitors in a market, political factions or rival broadcasters such as the BBC and BSkyB (Powell and DiMaggio, 1991b; Fligstein and McAdam, 2012).

The central concepts used in this study are drawn from the institutional logics approach set out by Friedland and Alford (1991), elaborated by Thornton, Ocasio and Lounsbury (2012), and further developed as strategic action field theory by Fligstein and McAdam (2012). “Institutional logics” are shared patterns of meaning within organisational or institutional fields that may shape or influence organisational behaviour (Thornton, Ocasio

and Lounsbury, 2012). I employ this approach to contextualise the dilemmas which the leadership of an organisation, in this case the BBC, saw themselves as confronting and the perspective through which they interpreted and responded to their environment (Friedland and Alford, 1991; Thornton, Ocasio and Lounsbury, 2012). The institutionalist perspective has rarely been deployed in the analysis of UK broadcasting; notable exceptions include Schlesinger (2004) and Brevini (2013).

Within the literature of strategy development and innovation as an aspect of strategy I draw upon two main schools of thought which I see as complementary: the rational linear approach which sees strategy as a forward-looking plan (Andrews, 1980; Porter, 1979); and the interpretive school which by contrast views strategy as a process and a pattern that is only revealed after the event (Mintzberg, 1987a).

The format of the chapter is as follows: I begin with a discussion of the relevance of the institutionalist framework, its roots in classical sociological theory, and its recent elaboration in terms of the understanding and interpretation of organisational behaviour, with a focus on the concepts of institutionalisation and legitimacy. This is followed by an examination of the literature on strategy and innovation. The next section explores the importance of field theory, institutional logics and the concept of the strategic action field. I conclude with a description of the features of the two principal institutional logics acting within the UK broadcast field with reference to the BBC's strategy development as it sought to address the challenges of digital change and the demands of Charter renewal: those of public service and of marketisation.

2.1 Institutionalism

The aim of this thesis is to understand a process of strategy development and implementation at the BBC. It examines how the BBC decision-makers viewed the challenges and options facing the Corporation at a particular moment in time, how they made sense of the world, and why they acted as they did. The reason for adopting an institutionalist approach is that it enables me to situate the behaviour of these senior figures and their interpretation of their world within the dynamics of the BBC's wider organisational context. Institutionalism proposes that we need to look not only at such factors as an organisation's structure and culture to understand its behaviour, but to explore the significance and dynamics of its environment, which it suggests penetrates "the

organization, creating the lens through which actors view the world, and the very categories of structure, action, and thought" (Powell and DiMaggio, 1991, p.12).

Institutionalism employs the concept of field derived from Bourdieu (Bourdieu and Wacziarg, 1992). Organisations are subject to and responsive to the pressures, practices and shared beliefs and culture of their institutional setting, whether that is an industry, sector, or organisational "field". The concept of an organisational field "expands the framework of analytic attention to encompass relevant actors, institutional logics, and governance structures that empower and constrain the actions of participants in a delimited social sphere. It includes in its purview all of these parties that are meaningfully involved in some collective enterprise" (Scott, 2014, p.258). From this perspective, strategy development and innovation are aspects of institutional behaviour, an adaptation to be analysed in relation to an organisational field.

The study of institutions has been a core feature of social thought from the classic texts of Marx, Durkheim and Weber onwards. Institutions are seen as organised and established social structures featuring both material and symbolic elements. They are distinguished by their persistence over time, shared rules and regulations, normative frameworks and taken-for-granted nature (Jepperson, 1991; Powell and DiMaggio, 1991a; Schlesinger 2004; Scott, 2008). They are fundamental units of society, experienced as durable "social facts" exterior to and independent of the consciousness of individual members of society. "Institutions are comprised of regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life" (Scott, 2008, pp.48-50). Examples of major institutions include the family, the state, a market, profession, corporation or religion; or equally an organisation, company, corporation, or public body may be an institution; and so too may an everyday, recurrent social practice such as a formal contract, a handshake, a footpath, a book group or a marriage. Institutions are socially constructed and iteratively reproduced through social interaction. Institutions provide routine scripts for action, and set the "rules of the game". They act as heuristics: they are a means by which we make organised sense of the complexity of the world.

"Institutions provide frameworks of value and models of practice and operate as systems of socialisation for those who join them. They inculcate normative frameworks (ways of doing things in accordance with given principles) and they

institutionalise judgement. A consequence is that people know the value-system, how authoritative decisions are made in it, and how they themselves fit in”.

(Schlesinger, 2004, p.2)

This means that those who develop and implement strategy within an organisation will tend to adopt the perspective and come to share the beliefs common to other members of that organisation. As they become socialised into an institution, the institution’s rationality will become theirs. Their judgement will depend not only on a rational appraisal of threat and opportunity but upon the taken-for-granted understandings of the institution.

There is one set of studies of BBC digital media development which has examined the questions related to those I explore here but from a different perspective, that of production studies, drawing upon Caldwell’s (2008) concept of production culture. Caldwell follows Geertz (1973) in seeing culture as an interpretive system. He is interested in how different occupational groups (in his case in Hollywood television and film production) analyse and theorise their work, and construct self-reflexive narratives that make sense of their working lives; what he calls “trade stories” (Caldwell, 2008, p.6). The work of Bennett, Strange and colleagues (Bennett and Strange, 2008; Strange, 2008; Bennett and Kerr, 2012; Bennett et al., 2012; Bennett, 2014) focuses upon the production cultures of the BBC and its suppliers, both those of programme makers and of multiplatform producers, in an examination of its digital media development. One of their main findings concerns the BBC’s retreat from multiplatform production and the parallel emphasis on on-demand services, in particular the iPlayer. Their research suggests that production culture is an important factor in explaining both: programme makers resisted multiplatform production, but were happy to accept the on-demand services because they were understood as simply delivering television programmes by another means (Bennett et al., 2012). The concept of a production culture and its focus on how actors make sense of, articulate and justify their daily practice has affinities with the institutional use of the concepts of institutional logic and “legitimacy”. In practice it is not always easy to distinguish between them. For instance when an activity, project or production is spoken of as “something that we as a public service broadcaster would or should (not) do”, is the appeal to the production culture or to institutional logic? There are two points that for the purposes of this discussion distinguish one from the other. Firstly: while production studies locate the notion of production culture within the work practices and the reflexive narratives that professionals develop around them, an institutional logics analysis begins with an

understanding of how much these beliefs may also owe to the dynamics of the wider organisational field. Secondly the institutional logics approach explicitly focuses on both the symbolic *and* material aspects of the phenomenon. By material we may understand institutionalised social constructs such as the actors within a field, including the institutions themselves such as the broadcasters, the internal governance units or regulators, sub-institutional fields such as BBC Strategy or New Media, and so on. Production culture may be better explained by a field analysis using the institutional logics approach than *vice versa*, because the latter helps contextualise the former and the dynamics that produce it.

While the research by Bennett and colleagues offers important insights, it does tend to understate the importance of the BBC's interpretation and response to its wider context. In their analysis of the retreat from multiplatform production they do refer to a number of factors that make better sense when seen from within an institutional context, as will become evident in the findings chapters. These include the cancellation of BBC Jam, the BBC's flagship multiplatform education project in 2007, and the introduction of cuts in BBC Online in response to external pressure (Bennett and Kerr, 2012). The production studies approach however has less to say about how these factors were understood interpreted and acted upon by the BBC leadership than the institutionalist perspective does.

Institutionalisation

Institutionalisation is the process by which institutions arise and persist i.e. "the emergence of orderly, stable, socially integrating patterns out of unstable, loosely organized, or narrowly technical activities" (Selznick, 1996, p.271). For Berger and Luckman (1967) institutionalisation is a three-stage process of "externalisation, objectification and internalisation" potentially present in any lasting set of social relationships. Through their interactions individual actors create social structures and relationships, which become taken for granted and present themselves to individuals as objective social facts: "*Society is a human product. Society is an objective reality. Man is a social product*" (1967, p.79, italics in original). These social facts in turn imply and create particular social activities on the part of certain actors, bound by specific rules, norms and implicit assumptions. Giddens (1986, p. 2) defines this everyday process of the reproduction of social structure as *structuration*:

"Human social activities, like some self-reproducing items in nature, are recursive. That is to say, they are not brought into being by social actors but continually

recreated by them via the very means whereby they express themselves as actors. In and through these activities agents reproduce the conditions that make these activities possible.”

The more institutionalised a social phenomenon becomes therefore, the more it becomes seen as part of the natural order of things, the more reluctance there is to change it, and the less need for overt forms of social control such as laws, rules or other means of enforcement to maintain it.

“We can see institutionalisation as a property of a social structure or activity and may distinguish degrees of institutionalisation, depending upon the extent to which a particular social phenomenon has become embedded in society, and to what extent its acceptance and legitimacy relies upon regulative, normative or cultural-cognitive aspects”. (Scott, 2008, p.60)

Institutions thus formed become the means whereby we define the limits of what is meaningful and possible (Zucker, 1991, p.104). Institutions are both the outcome of social interaction and imply certain kinds of interaction, and these persist over time: “Institutions always have a history, of which they are the products” (Berger and Luckman, 1967, p.72). As Powell and DiMaggio put it, institutionalisation “makes organisations less instrumentally rational by limiting the options they can pursue” (1991a, p.12).

Legitimacy

Institutionalism suggests that an organisation or institution needs to offer a convincing account of itself: “the institutional world requires legitimation, that is, ways by which it can be 'explained' and justified” (Berger and Luckman, 1967, p.79). This justification will be successful for an organisation to the extent that it appeals to widely-shared beliefs: “*Legitimacy* is a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed set of norms, values, beliefs, and definitions” (Scott, 2008, p.59).

Legitimacy is problematic for an organisation, it can rarely be assumed, more commonly it will be contested and must be worked for (Friedland and Alford, 1991, p.246). Without legitimacy any institution will struggle to survive (Selznick, 1996, p.273). This means that achieving and sustaining legitimacy is an organisational imperative: “We can ask of an

institution whether it is unquestioned and routinely taken-for granted as an institution or whether its legitimacy is contested and problematic” (Scott, 2008, p.60).

Therefore legitimacy is a necessary if not sufficient condition for organisational or institutional survival. “Organisations compete not just for resources and customers, but for political power and legitimacy” (Powell and DiMaggio, 1991a, p.66). Faced with a crisis of legitimacy an organisation must mobilise to address it and do so successfully or jeopardise its continued existence. This has relevance to the discussion in later chapters of how the BBC addressed what it perceived as a crisis when its legitimacy and that of public service were contested during the Charter renewal process from 2003 onwards.

2.2 Strategy

There is little consensus on the definition of the term strategy. The lay understanding and the dictionary definition commonly include the following elements: an organisation’s plan for its future course of action and a focus on the big picture and big decisions (in contrast to tactics, which are seen as concerned with the details of execution). Strategy is an institutional activity. Therefore the development and implementation of strategy can be seen as a process of institutionalisation. Moreover we can characterise a strategy by the degree to which it has become institutionalised. A strategy that is not fully implemented or realised, may be said to be weakly or partially institutionalised.

Mintzberg lists five main ways in which the term strategy has been interpreted: as a *plan*, *ploy*, *pattern*, *position* or *perspective*. He and Lampel go on to identify ten major schools of thought on strategy within the social science literature (Mintzberg, 1987b, p.3; Mintzberg and Lampel, 1999, p.22). There is scarcely any more clarity about the distinction between “strategy” and “policy”. Quinn defines policies as “rules or guidelines that express the limits within which action should occur” (Quinn, 1980, p.10). However he adds, “Major policies – those that guide the entity’s overall direction or posture or determine its viability – are called strategic policies” (Ibid). Whereas for Rumelt a broad guiding policy is a central component of strategy: “The kernel of a strategy contains three elements: a diagnosis, a guiding policy, and coherent action” (Rumelt, 2011, p.7). Mintzberg and colleagues summarise their position thus: “for our purposes a strategy is a set of objectives, policies and plans that, taken together, define the scope of the enterprise and its approach to survival and success” (Mintzberg et al., 2003, p.81).

Much of the debate around public value and its adoption by the BBC has been couched in terms of the policy perspective (see for instance, Smith, 2007; Lee, Oakley Naylor, 2011; Michalis, 2012a; 2012b). However the distinction I would make between policy and strategy and the reason for my preference for the use of the term “strategy” is that policy studies tends to be concerned with matters of guidance and regulation, whereas strategy encompasses a wider variety of behaviours and phenomena than tend to be addressed by policy. Freedman writes, “strategy remains the best word we have for expressing attempts to think about actions in advance, in the light of our goals and capacities” (2013, p.x).

Strategy as a specialised activity has its roots in military thinking; and has subsequently been adopted by politics, business and organisations more generally (Freedman, 2013). At its heart is decision-taking. “Strategy is about how an organisation will move forward” (Rumelt, 2011, p.7). For Quinn strategic decisions are defined by their scale, scope and importance as:

“Those that determine the overall direction of an enterprise and its ultimate viability in the light of the predictable, the unpredictable, and the unknowable changes that may occur in important surrounding environments. They intimately shape the true goals of the enterprise. They help delineate the broad limits within which the enterprise operates.” (Quinn, 1980, p.10)

Typically strategy is aimed at extracting the maximum advantage for an organisation. “It is about getting more out of a situation than the starting balance of power would suggest. It is the art of creating power” (Freedman, 2013, p.xii). Some writers suggest strategic decision-making is synonymous with what managers routinely do for much of the time (Simon, 1960, p.189; Rumelt, 2003, p.87).

Freedman argues that the need for strategy becomes more pressing in times of uncertainty, change and conflict:

“Strategy is more than a plan. A plan supposes a sequence of events that allows one to move with confidence from one state of affairs to another. Strategy is required when others might frustrate one’s plans because they have different and possibly opposing interests and concerns.” (Freedman, 2013, p.xi)

Theories of strategy development

My account combines the insights of two contrasting approaches to the study of strategy: the *classic*, *linear* and *rationalist* which is concerned with the *content* of strategy and focuses on how an organisation may plan to position itself to best advantage in relation to threats and opportunities within its environment; and the *interpretative* or *adaptive* which is concerned with how non-rational factors such as the culture, cognition and heuristics of the strategic decision-makers affect the nature of their response to such factors. The *adaptive* school explores how aspects of structure and organisation may affect the implementation process. Both the latter approaches focus on strategy *process* (Mintzberg, 1987a; Chakravarty and Doz, 1992).

Rationalist, linear school

The classic theory associated with Michael Porter and the Harvard Business School holds that the strategic decision-making process is a sequential one whereby the leadership within an organisation first analyses a problematic situation then formulates a strategic response and finally proceeds to implement it (Porter, 1979; 1996; Andrews, 1980). Porter focuses on environmental threats and opportunities and argues that, “the state of competition in an industry depends upon five basic forces” (Porter, 1979, p.94). These he identifies as: the threat of new entrants, industry competitors, the bargaining power of suppliers, the threat of substitutes for a firm’s product or service, and the bargaining power of purchasers (Ibid, p.95). Strategy is all about how best an organisation can position itself for maximum competitive advantage in relation to these five forces: “Strategy is the creation of a unique and valuable position involving a different set of activities. If there were only one ideal position, there would be no need for strategy” (Porter, 1996, p.19). Change in relation to any one of Porter’s forces has implications for an organisation. Strategy is a matter of mobilising a firm’s capabilities to achieve the optimum fit between itself and its environment:

“A well-formulated strategy helps to *marshal* and *allocate* an organisation’s resources into a *unique and viable posture* based on its relative *internal competencies* and *shortcomings*, anticipated *changes in the environment*, and contingent moves by *intelligent opponents*.” (Quinn, 1980, p.10)

This influential approach has given rise to a body of normative theory designed to offer advice to managers on how best to scan the business horizon to identify and analyse threats and opportunities; how to frame an appropriate response; and how to devise and implement

a successful plan of action. It tends to identify strategic decision-making with rational analysis and planning by an organisation's leadership and senior management team (Andrews, 1980; Porter, 1996).

The rationalist approach is also complemented by a literature of change management, which tends to be case-study-based, aimed at advising managers how best to mobilise a firm's resources and personnel to address and implement the desired strategy (Mabey and Mayon-White, 1992; Paton and McCalman, 2008). John Kotter, also of Harvard Business School, advocates an eight-stage process that begins with an analysis of the key barriers to effective implementation of change programmes and then prescribes a solution to each (Kotter, 1996; 2002). When it comes to analysis of how strategy is developed in practice, these approaches may prove to be influential in so far as they may have currency among decision-makers at any one time. At the BBC for instance, Director-General Greg Dyke who studied with Kotter at Harvard, brought him to the UK to address the Corporation's senior leadership (Dyke Interview; 2004, p.216).

Interpretative and adaptive approaches

When we seek to understand how strategy is actually arrived at, acted upon, and to what effect, why some plans are realised while others are not, or why the outcomes and consequences may be very different from those envisaged, the classic rationalist account as a normative approach can only take us so far. The *interpretative* and *adaptive* approaches aim to address and complement the omissions of the rationalist school with a focus on *strategy process*: how strategy is formed and implemented. In doing so they call into question the role of rationality in strategic decision-making, emphasising instead how and why non-rational factors such as the culture and cognition of decision-makers, organisational dynamics, and institutional logic may affect their interpretation and response. Understanding of the environment they suggest, may well be partial, knowledge incomplete, and plans prove to be far from rational; if developed they may not be acted upon, or may be interpreted in different ways than those envisaged, often with unforeseen and unintended consequences. The interpretative school places an emphasis on strategy as what is revealed with hindsight, rather than what is promised or intended, and suggests that when we come to examine actual process, the distinction between planning and action can be unhelpful if not misleading.

“The assumption in other texts is that strategy is formulated and then implemented, with organisational structures, control systems, and the like following obediently

behind strategy. In this text, as in reality, formulation and implementation are intertwined as complex interactive processes in which politics, values, organisational culture, and management styles determine or constrain particular strategic decisions.” (Mintzberg et al., 2003, p.xiii)

Drawing upon observational study Mintzberg paints a picture of strategic decision-making that is far from the classic model of calm reflection. He argues that although the rationalist account which he terms “deliberative” may capture important aspects of the decision-making process, the relationship is likely to be more dynamic than sequential:

“Strategies can *form* as well as be *formulated*. A realised strategy can emerge in response to an evolving situation, or it can be brought about deliberately, through a process of formulation followed by implementation.” (1987a, p.143)

This emphasis on the non-rational aspects of strategy development and implementation make sense within an institutionalist framework. Mintzberg (1987a) sees strategy as a craft process. Strategy is an emergent phenomenon happening sometimes slowly, sometimes very rapidly, often in an *ad hoc* or opportunistic way. Managers make decisions on the hoof, under pressure, and devote little time to reflection or discussion. This is strategy as a pattern that is revealed over time rather than a plan to be implemented: “Not all plans become patterns nor are all patterns that develop planned” (Mintzberg, 1987b, p.9).

Although within an organisation relative power will determine who sets out strategy and makes key decisions, if strategy is an emergent pattern then far more people than those formally tasked with planning may be involved. Strategy may be the product of the activity of all those at a variety of levels within an organisation who acquire, interpret, process and act upon information about change in its environment (Mintzberg, 1987a; Quinn, 1980; Pettigrew and Whipp, 1991). The interpretative school lays stress on a wide range of actors. “Anyone in the organisation who happens to control key or precedent-setting actions can be a strategist” (Mintzberg 1987b, p.3).

The combination of these approaches suggests that when researching strategy we should focus on both the planned and the unplanned aspects of strategy development and implementation, and on how each comes to be adopted and institutionalised into an organisation’s thinking and behaviour.

2.3 Innovation

Strategy implies organisational change, often through innovation. Indeed some writers see innovation as a key weapon in the development of strategy as an institution or organisation seeks to achieve competitive advantage (Rumelt, 2003, p81; Christensen, 1997; Christensen, and Overdorf, 2000). Innovation may be in technology as it is commonly understood to be, but it may also mean the development of new products, services, processes, partnerships or competencies. Tidd, Bessant and Pavitt identify four dimensions of innovation space or ways in which an innovation may represent change. The innovation may be in *product* i.e. a change in an organisation's product or services, for instance the iPhone or the iPlayer; in *process* or the way its products or services are created or delivered; in *position*, that is in the context, for instance in repositioning a brand; or in *paradigm* by which they mean "changes in the underlying mental models which frame what the organisation does" (Tidd, Bessant and Pavitt, 2009, loc. 1059). An example of the last for instance might be a print periodical moving into online delivery and video production.

Strategy and innovation can both be analysed in terms of a process of institutionalisation. Strategic change may involve innovation or represent a response to innovation. Innovation is often seen as a purely technical process. But it is perhaps better to see it as a social process undertaken by individuals and organisations, hard to define, and like strategy more clearly recognisable with hindsight. Innovation in media is "a dynamic and complex social process that exceeds the control of single actors and is embedded in a wider context of societal actors and institutions that shape the innovation's development, diffusion and implementation as well as its consequences" (Dogruel, 2013, p.39).

A distinction is commonly made between innovation and invention. Invention is seen as coming up with a novel idea or discovering a new process, resource or product; whereas with innovation such an invention becomes adopted on a larger scale through "a process of turning opportunity into new ideas and of putting these into widely-used practice" (Tidd, Bessant, and Pavitt, 2009, location 895). It follows from this that the invention of a new design, product or service does not in itself constitute innovation. Innovation occurs only when such an invention is implemented and widely adopted. Innovation is seen as a process that may go through several typical stages before reaching general adoption. The outcome in some cases is an innovation that is so successful that it becomes the industry standard or dominant design, and other competing forms of product or service are

abandoned (Tidd, Bessant, and Pavitt, 2009, location 1466). Examples of dominant design could include the Apple iPod, iPad, and iPhone, and, I shall suggest later, the BBC iPlayer. From an institutionalist perspective this has been seen as occurring through *isomorphism*, that is, as a constraining process of homogenisation within a field “that forces one unit in a population to resemble other units that face the same set of environmental conditions” (Powell and DiMaggio, 1991a, p.66). However this also implies that once an innovation that is designed to improve performance or achieve some other institutional goal achieves legitimacy and the position of a dominant design, it may become adopted by other institutions in imitation whether it continues to enhance performance and goal achievement or not.

How an organisation develops such a strategy or innovation will depend in part upon the nature of the organisation and in part on the dynamics of its environment. Classic sociological theory characterises organisations in modern society as formal and rational with clear objectives, which they realise through bureaucratic organisation (Weber, cited in Gerth and Mills, 1970, pp.196-244). Later sociologists have emphasised the informal and irrational aspects of organisational structure and culture. While new institutionalism goes further with its critique and locates irrationality within the formal structure itself (Scott, 2008; Powell and DiMaggio, 1991a; 1991b).

The questions that flow from this are: under what conditions does invention become innovation; and what kind of organisation provides an environment conducive to or constraining of innovation? In the last two decades, concomitant with the rise of the new technologies of digitisation and the Internet, an Anglo-Saxon school of thought which builds upon and develops a line of thinking derived from Schumpeter (1943) has identified innovation with disruptive new market entrants from the private sector. One influential account is the *Innovator's Dilemma* by Clayton Christensen (1997). Christensen and magazines such as *Fast Company* and *Wired* have given us the heroic figure of the visionary entrepreneur who begins with a tiny start-up (not uncommonly in a Californian garage) and goes on to create a dynamic world-beating technology giant, as Steve Jobs did with Apple, or Larry Page and Sergei Brin did with Google. This approach sees disruptive technological change and its consequences as both the motor force of the growth of capitalism and a continuing threat to incumbent businesses and organisations (Schumpeter, 1943; Utterback, 1994; Christensen, 1997; Tidd, Bessant and Pavitt, 2009). Christensen and Overdorf (2000, p.72) define a disruptive innovation as one that creates “an entirely

new market through the introduction of a new kind of product or service”. They argue that industry incumbents such as the BBC are the most vulnerable to challenge, and advocate insulating innovation initiatives from the wider corporate culture until they are strong enough to stand on their own (Christensen, 1997; Christensen, and Overdorf, 2000). By contrast they say, “sustaining innovations” which merely improve an existing product or service through incremental changes, “are nearly always developed and introduced by established industry leaders. But those same companies never introduce – or cope well with – disruptive innovations” (Ibid, p.72).

Christensen and Overdorf do not appear to contemplate the possibility of innovation on the part of public sector organisations, as their model is based entirely upon private profit-seeking companies operating in competition in a commercial market. As a result they cannot offer an explanation for public sector innovation, except in market terms. This account however, has been challenged on a number of grounds. Several writers have challenged the basic facts of Christensen’s case studies (Gassée, 2014; Lepore, 2014); while Mazzucato (2013) has demonstrated the critical role of state and public intervention and funding at every stage of the development of innovative firms such as Apple and Google.

Mintzberg (2003) has explored the kind of organisation that can be effective in nurturing innovation. In contrast to formal bureaucracy Mintzberg (2003, p.413) identifies the development in the contemporary workplace of a looser, more flexible form of organisation based upon horizontal and often informal liaison between expert teams assembled on a project-by-project basis. He argues that this flatter “adhocratic” structure, which he sees as characteristic of the “creative industries” and the media, is more favourable to innovation than Weber’s rational bureaucracy. Adhocracy gives rise to a seemingly “inefficient” decentralised structure like that of the BBC with staff who enjoy a degree of professional autonomy. “Strategy is not formulated consciously in one place so much as formed implicitly by the specific actions taken in many places” (Mintzberg, Ibid). It is unclear from Mintzberg’s account whether adhocracy and bureaucracy can co-exist within one organisation. This also leaves open the extent to which any adhocratic project team is integrated into an organisation’s decision-making processes; and the role of gatekeepers or sponsors who may decide which are adopted as innovations by the organisation and which are not. This has proved to be an issue for the BBC as will be discussed in the case studies in the findings chapters.

2.4 Strategy, innovation and institutions

For institutionalism then, strategy development and innovation can be seen as an aspect or outcome of a process of institutionalisation. Faced with a challenge organisations will first reach for a familiar solution, but when repeatedly faced with a novel situation they will be inclined to adapt and innovate. “Institutions are crafted by actors in response to recurrent problems for which no “off-the-shelf” solutions are available” (Scott, 2008, p.104).

Organisations tend not to question their basic strategy until prompted to re-think by a dramatic change in circumstances according to Rumelt (2003, p.86): “In most firms comprehensive strategy evaluation is infrequent and, if it occurs, is normally triggered by a change in leadership or financial performance”. This has relevance for the introduction of strategic planning at the BBC by John Birt when he was Director-General, discussed in the next chapter. Suchman (1995, cited in Scott, 2014, pp.126-127) proposes a multi-stage model of institutionalisation, which has much in common with accounts of strategy development, beginning with recognition and identification of a problem or dilemma, and passing through several stages to the choice of solution from a repertoire of possible alternatives. Once such an innovation has proved itself, it may become routinised and subject to theorisation; that is, an account will emerge of why it exists and what it is a successful solution for.

Institutionalism draws our attention to the extent to which the character and the history of an organisation, its accumulated values, beliefs and practices and the dynamics of its organisational field will affect the way it approaches strategic change and innovation. This approach suggests we can ask whether the BBC’s adoption of Public Value and its measurement through the Public Value Test, and the development of the iPlayer, constitute examples of institutionalisation. If they do, what factors in the BBC’s structure, culture, history and environment influenced the process; how, and in what way did the BBC strategy makers interpret and respond; and what combination of social, economic, and regulatory factors helped shape those particular outcomes? In particular we need to ask how the BBC sought to legitimate these developments? Institutionalism approaches these questions through the concepts of “field” and “organisational field.”

2.5 Field theory

Institutionalism characterises an organisation’s environment using the concept of *field* derived from Bourdieu. His account and use of the concept deliberately resists easy

definition outside his own theoretical system. For Bourdieu, society is made up of the interaction of a number of relatively autonomous social microcosms:

“Spaces of objective relations that are the site of a logic and a necessity that are *specific and irreducible* to those that regulate other fields. For instance, the artistic field, or the religious field, or the economic field all follow specific logics.”

(Bourdieu and Wacquant, 1992, p.97)

These logics can be seen as regulating principles peculiar to a field which are sites of contention: “These principles delimit a socially structured space in which agents struggle, depending on the position they occupy in that space, either to change or preserve its boundaries and form” (Bourdieu and Wacquant, 1992, p.17). Both *field* and the closely associated term *habitus* are seen as a “bundles of relations” (1992, p.16). “To think in terms of field is to *think relationally*” (1992, p.96).

Habitus is seen as a form of practical consciousness, or way of seeing. It has taken-for-granted aspects (the conventional wisdom or “*doxa*”), and is a “socialised subjectivity” (1992, p.126). The use of *habitus* in this sense resembles culture or sub-culture (Fowler, 1996, p.10). Powell and DiMaggio, who cite Bourdieu’s thinking as an influence on their form of “New Institutionalism” write, “Because of common histories, members of each ‘class fraction’ share a similar habitus, creating regularities in thought, aspirations, dispositions, patterns of appreciation, and strategies of action that are linked to the positions the persons occupy in the social structure they continually reproduce” (1991, p.26). The third key concept employed by Bourdieu is capital: “a species of capital is what is efficacious in a given field, both as a weapon and as a stake of struggle” (Bourdieu and Wacquant, 1992, p.98).

Organisational field

An organisation’s structure and behaviour can be best understood in relation to its position within the wider institutional system, “industry field”, or “societal sector” (Scott, 2008, p. 117). The term adopted here is “organisational field” following the usage of Powell and DiMaggio who define its scope as extending beyond that of a sector or industry to include all “those organisations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other

organisations that produce similar services or products” (Powell and DiMaggio, 1991b, p. 64).

How can we identify the scope and limits of an organisational field? For Bourdieu one criterion is that there is common agreement among individuals on the rules of the game and what is at stake. For institutional writers an organisational field, which could be an institutional order such as a market or a policy domain, is made up of organisations in competition within a shared normative and cognitive framework, a common definition of the main activity, its rules (and regulatory system), the other players, and the field boundary (Scott, 2008, p.86; Powell and DiMaggio, 1991b, p.65). For Powell and DiMaggio, organisations within a structured field “respond to an environment that consists of other organisations responding to an environment of organisations’ responses” (Ibid). The formation of a field may be recognised by an increase along any or all these dimensions: the degree of mutual interaction among organisations, the emergence of forms of regulation and control, the growth of a sense of membership, and/or of a common focus of activity.

Power may be seen as being exercised within the field through the ability to set the rules of the game. Agency and interest are more likely to be evident during the process of field formation than during periods of stable business-as-usual. According to Powell and DiMaggio: “the acquisition and maintenance of power within organisational fields requires that dominant organisations continually enact strategies of control, most notably through the socialisation of newcomers into a shared world view or via the support of the state and its judicial arm” (1991a, p.31).

Fligstein and McAdam (2012, p.3) share this concern with the impact of power and interest on field-level dynamics. They elaborate a theory of “strategic action fields” or meso-level social orders, which they see as the basic building blocks of society. Their analysis combines cultural and cognitive elements with a focus on contestation within a field. The main players in a strategic action field are the incumbents, challengers (often new entrants), the state and internal governance units. The latter are bodies which exercise regulatory or normative control over the field; for instance an arm of the state, a trade association, or a judicial system. Fields are connected to other fields and there are fields within fields. An organisation may be: “understood as a coalition, governed by multiple rationalities and negotiated authority, [rather] than as a unified system of coordination.

These coalitions have permeable boundaries; if they are to survive and flourish they must engage with the environments which they depend on and which they may control” (Selznick, 1996, p.275). Change tends to come from exogenous shocks from other closely related fields. Such shocks precipitate mobilisation by actors within the field leading to episodes of contention, which end with a settlement, whether lasting or temporary (Fligstein and McAdam, 2012, p.8). A key locus of such struggles is for control of the internal governance units, the bodies that both set and arbitrate the rules of the game and represent the field to the wider world.

The BBC can be seen as a player in several strategic action fields including UK broadcasters, UK media, European public service broadcasters and global media companies. If strategy is an attempt by an organisation to defend or improve its position within its field to its advantage then how it does so relates to the character of the relevant institutional field, the rules of the game and its place within it, and the way it perceives or frames the dilemma. If UK broadcasting is understood as an organisational or strategic action field, what was the role of the BBC within it during the period under study? Was it an incumbent and if so how did it respond to change? This perspective raises questions about the degree of contestation within the field, how it is being affected by exogenous shocks such as new entrants and competitors, and what might constitute a settlement.

2.6 Institutional logics

For Bourdieu each field has its own logic. From institutionalism has developed the concept of institutional logic, which helps us to understand how strategy development as an activity in an organisation such as the BBC relates to its broader context. “The driving interest is to understand how these contextual factors shape organisational responses that impact on the core activities of broadcasting” (Schlesinger, 2004, p.5). Part of the answer involves an attempt to understand the mind-set, the frame of reference, or systems of meaning shared by the BBC’s strategists and decision-makers as they addressed conditions of complexity, uncertainty and change.

There are a number of theoretical approaches to the way “we frame reality in order to negotiate it, manage it, comprehend it, and choose appropriate repertoires of cognition and action” (Gitlin, 2003, p. 6) including cultural paradigm (Kuhn, 1996), ideology, frame (Goffman, 1975) and culture. Schein defines culture in a way which echoes accounts of

innovation and institutionalisation: “a pattern of shared basic assumptions that a group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid” (Schein 1996, p.12, cited in K \ddot{u} ng-Shankleman, 2000, p.8).

For Schein, as for the institutionalists, culture has both material and symbolic aspects manifested in three ways: as artefacts, espoused values, and underlying assumptions. There may be several cultures in play within an organisation, for instance: national, professional, and industry-wide. There may be sub-cultures within these groupings such as corporate culture (Tellis, Prabhu, and Chandy, 2009), and production culture, defined as the commonly understood but often-unstated narratives different professional groups employ to conceptualise and make coherent sense of their work (Caldwell, 2008). Culture embodies what has proved successful over time for solving problems of both external adaptation and internal integration. Because it has worked well in the past it is taught to new members of the organisation as the correct way to respond to those problems. The concept of organisational culture and its focus on how actors make sense of, articulate and justify their daily practice has affinities with the institutionalist use of the concept of institutional logic, the basis of legitimacy, as discussed above.

Culture is how confusing signals “are filtered and made sense of” Johnson suggests, through a cultural “paradigm” which provides “a repertoire of actions and responses to the interpretations of signals, which are experienced by managers and seen by them as demonstrably relevant. It is at one and the same time, a device for interpretation and a formula for action. The strategies organisations follow grow out of this paradigm” (1988, p.61). It is the culture of an organisation that we need to examine; the commonly held, taken-for-granted beliefs, which help managers deal with uncertainty and create “a relatively homogeneous approach to the interpretation of the complexity that the organisation faces” (Ibid, p.61). Institutionalism emphasises the way in which institutions interpenetrate organisations in society and the extent to which the culture and behaviour of actors and organisations, for instance in the process of strategy development, is attributable not simply to their individual motives or characteristics, or their production or organisational culture but derives from relationships with their context, organisational field, society and the state (Scott, 2014, p.109). How do the leadership and the strategy apparatus of an organisation such as the BBC perceive, address and negotiate such factors? One strand of institutionalism suggests a focus on the effect of the dominant systems of

meaning within the organisational field, or “institutional logics”, as a means to link changes in the field to the culture and behaviour of organisational actors (Scott, 2008, p.76).

The concept of “institutional logics” was proposed by Friedland and Alford (1991). It offers a perspective for analysing these relationships and illuminating how environmental influences affect individual and organisational actors (Thornton, Ocasio and Lounsbury, 2012, p.1). Each of the central institutions of modern society, have their own logic “a set of material practices and symbolic constructions – which constitutes its organising principles and which is available to organisations and individuals to elaborate (Friedland and Alford, 1991, p.232). The logic of capitalism, for instance, includes capital accumulation and the commodification of human activity, while that of the state involves, among other things, the rationalisation and regulation of human activity by legal and bureaucratic means. These institutional logics are important as they “shape individual preferences and organisational interests as well as the repertoire of behaviours by which they may attain them” (Ibid).

Institutional logics are the key to understanding the ways in which actors perceive, interpret and respond to the world around them, they: “represent frames of reference that condition actors’ choices for sense making, the vocabulary they use to motivate action, and their sense of self and identity. The principles, practices, and symbols of each institutional order differentially shape how reasoning takes place and how rationality is perceived and experienced” (Thornton, Ocasio and Lounsbury, 2012, p.2). This analysis stresses both the material and symbolic elements of an institutional order, that is to say both structure and practices, and meaning. Institutional logics are: “the socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values, and beliefs, by which individuals and organizations provide meaning to their daily activity, organize time and space, and reproduce their lives and experiences” (Thornton, Ocasio and Lounsbury, 2012, p.1).

Where institutional logics are in alignment they may be seen as making for social stability. However this is rarely the case. There is the potential for tension between competing logics as a source of contestation and change: “the major institutions of contemporary society are interdependent and yet also contradictory...institutional contradictions are the bases of the most important political conflicts in our society; it is through these politics that the institutional structure of society is transformed” (Friedland and Alford, 1991, p.256).

Institutional logic and change, structure and agency

A central issue for institutionalism is how to address the issue of structure and agency, that is whether, and if so how, change is possible i.e. whether actors, individual or organisational, have freedom to act or whether their choices and behaviour can in principle be read off from social structure and culture (Battilana, 2006, p.653). Different writers address this with a variety of solutions. Bourdieu (2012, p.8) regarded the opposition between structure and agency as false. A field is defined both subjectively and objectively: by a common agreement among participants about what is at stake, and by the rules of the game. These rules are likely to favour and be imposed by the more powerful players.

The concept of field combines both structure and agency, and the material and the phenomenological aspects of institutions and organisations. For strategic action theory the source of change may be exogenous. An episode of contention or field crisis is typically precipitated by changes in an adjacent or “proximate” field. This begs the question of how change is initiated within these proximate fields. To explain how change may occur endogenously within a field Fligstein and McAdam (2012, p.4), among others, advance the concept of “institutional entrepreneurs,” who possess “social skill” and may be able to effect change: “in times of dramatic change, new ways of organising ‘cultural frames’ or ‘logics of action’ come into existence. These are wielded by skilled social actors, sometimes called ‘institutional entrepreneurs,’ who come to innovate, propagate and organise strategic action fields”.

However institutional entrepreneurs are only able to exercise their social skills to make change happen under certain circumstances. Contradiction between institutional logics can create instability within a field, which may offer the opportunity to effect change (Friedland and Alford, 1991, p.240; Seo and Creed, 2002, p.222; Scott, 2014, p.51; Abrutyn and Van Ness, 2015). The institutional logics approach sees the tensions between contradictory logics as a potential source of partial autonomy for actors: “individuals can manipulate or reinterpret symbols and practices...the meaning and relevance of symbols may be contested even as they are shared” (Friedland and Alford, 1991, p.254). Without this degree of independence, actors might not be able to resist the twin pressures of social structure and culture: “through the actions of individuals and organisations, the institutional structures of society are not simply reproduced, but transformed” (Friedland and Alford, 1991, p.254; Thornton, Ocasio and Lounsbury, 2012, p.8).

Thus such contradictions between logics open the way it's argued, for a degree of wriggle room, enabling individuals and organisations to act in ways that are not pre-determined solely by structure or culture: "Between the context and the response is the interpreting actor" (Scott, 2014, p.94). Social actors have the option to choose from a variety of competing scripts for action, which make change possible: "These institutions are potentially contradictory and hence make multiple logics available to individuals and organisations. Individuals and organisations transform the institutional relations of society by exploiting these contradictions" (Friedland and Alford, 1991, p.232). Agency resides in "the interpretive processes whereby choices are imagined, evaluated, and contingently reconstructed by actors in ongoing dialogue with unfolding situations" (Emirbayer and Mische, 1998, p.966).

However another implication can also be drawn, that such tension may be more problematic for actors. We cannot prejudge what their response may be, or what other factors may determine that response, we can only take it as a guide to research. We should explore the possibility that tension between conflicting institutional logics may prompt and open the possibility to action; but how actors respond may not be predictable, and may be due to other unknown factors. The questions for empirical research in this study will therefore be: how do institutional actors interpret the dilemmas and challenges they face, what options do they see as open to them, and how do they act upon these understandings? What is also important is to try to become aware of their unspoken and taken-for-granted assumptions, and the extent to which these may be also due to institutional factors.

Organisations may seek legitimation by aligning their structure, culture or actions with reference to the dominant institutional logics operating within their relevant organisational or strategic action field. "Organisations that incorporate societally legitimated rationalised elements in their formal structures maximise their legitimacy and increase their resources and survival capabilities" (Meyer and Rowan, 1991, p.41). Equally individuals or organisations may exploit the contradictions between logics to select those aspects most favourable to the legitimation of a course of action that they see as matching their own interest.

Public service broadcasting

The dominant institutional logic from which the BBC has historically derived its legitimacy has been public service broadcasting; a set of practices and beliefs which are

collectively institutionalised in the form of the BBC and its Royal Charter, the other main terrestrial channels, ITV, Channel 4 and Five and regulatory bodies including the BBC Trust, and Ofcom (Schlesinger, 2004, p.1). As a set of values and a production culture it is also shared by a wider swathe of independent production companies who supply the main UK PSBs (Bennett and Kerr, 2012, p.220).

As the first UK public service broadcaster the BBC is marked by different goals from commercial companies, and has a different business model. Its core mission is to “inform, educate and entertain” and to provide universal access to its programmes and services to its audience, which it constructs as both consumers and active citizens. It is also seen as having a role in promoting democracy, social cohesion, the arts and culture and acting as a benchmark for quality and creativity in broadcasting (Iosifidis, 2007; Seaton, 2010; Hendy, 2013, p.14).

The BBC has to walk a tight-rope between ensuring it carries enough popular programming to retain wide support from the general public, whilst at the same time being seen to deliver on its public service aims. If it becomes too popular critics and competitors accuse it of dumbing down and betraying its commitment to quality programming and ask why it should enjoy the benefit of a licence fee. On the other hand if it follows a strategy based upon compensating for market failure by emphasising its contribution to education, the arts and news and current affairs, then it runs the risk of being accused of elitism, or worse, irrelevance. Audiences begin to ask why they are paying a licence fee for programmes and services they do not use. Its unenviable task, in the words of a former Managing Director of BBC Television is “to make the good popular, and the popular good” (Wheldon, 1971).

Universal access

From the perspective of institutionalism, preserving universal access to its programmes and services may be seen as an important source of institutional legitimacy for the BBC and therefore corporate survival. It can also be analysed in terms of the value chain and gatekeeper theory. In economic and business strategy theory the value chain is a model that “describes the various stages and processes in the workflow that makes products and services available to customers” (Picard, 2011, p.264). Thus in broadcast, elements of the value chain include content creation or acquisition, production, distribution, and marketing (Picard, 2011, pp.43-49). Value chain analysis has highlighted the role of market

competition and the threat of the emergence of new gatekeepers in studies of European broadcasters as they have addressed the rapid growth of competitors on new platforms, both digital television and in particular those offering online video delivery, or what are known as Over-The-Top (OTT) networks. Every new platform has the potential to position new gatekeepers between broadcasters and their markets, a potential source of conflict (Evens and Donders, 2013). Faced with the threat of being cut off from their audiences it's argued: "television incumbents try to leverage controlling points and employ foreclosing strategies hindering new entrants to directly target consumers" (Evens, 2013, p.478). This type of vertical integration is a common defensive strategy and one increasingly relevant in the broadcast industry (Galbraith, 1983, p.229; Picard, 2011, p.54; Doyle, 2013). The relevance of this is clear. In order to understand the BBC on-demand strategy we need to ask to what extent it is pursuing a strategy common to all European broadcasters as they address the threats of multichannel, new platforms, and new OTT competitors and seek competitive advantage; and to what extent it is because it is a public service broadcaster with a remit to ensure universal access and is driven by the desire to sustain its legitimacy.

The PSB model has been influential and widely adopted across Europe. However despite sharing many common values and aims, in each country public service broadcasters have different funding models, responsibilities, media contexts, and regulatory frameworks (Burns and Brügger, 2012; Iosifidis, 2007; Lowe and Steemers, 2011). The BBC's remit, and therefore the definition of what public service broadcasting means in its case has changed over the years, as it has adapted to the changing demands of the broadcast field, in particular, the requirement of successive governments for it to help deliver a range of social, cultural and policy objectives.

Although there is felt to be a broad consensus on the meaning of public service broadcasting, there are distinct differences between the BBC's Public Purposes and the aims of Channel 4, and the other UK PSBs set out in the terms of their licences (Schlesinger, 2004, p.2). It is apparent that different actors positioned differently within the broadcast field will have subtly different understandings of the term whether they are members of the general public, professional broadcasters, politicians or independent suppliers (Bennett et al. 2012, p.13).

Although other UK broadcasters also have some public service obligations, the BBC has a unique status within UK broadcasting as the only public service broadcaster with a revenue

model based-upon a licence fee, a hypothecated tax payable by all households with a television. The BBC's remit and licence fee are set out in a Royal Charter, which is subject to periodic review by Parliament when the BBC has to make the case for its continued survival (Iosifidis, 2007; Seaton, 2010; Hendy, 2013; BBC Trust, n.d.d).

As a result of its unique status the BBC occupies a central but problematic and contested place in public life and has done so since its foundation (Hendy, 2013, p.5; Seaton, 2010, p. 343). To fulfil its remit and retain its legitimacy the Corporation must therefore successfully address and reconcile a number of potentially competing pressures from different stakeholder groups with different and sometimes conflicting agendas including the general public, Parliament, competitors and the news media (Hendy, 2013; Collins, 2011; Born, 2004). In the terms of field analysis the process of Charter renewal and licence fee settlement can be seen as representing an institutionalised form of crisis which tends to result in an agreed field settlement (Fligstein and McAdam, 2012). This process has been characterised by a continually changing interpretation of the meaning of its PSB remit in line with the shifting demands of these stakeholders (Schlesinger, 2004; Seaton, 2010; 2015).

One factor that has begun to call the idea of public service into question has been that some public service broadcasters are increasingly using digital media, the Internet and mobile Internet to deliver public service objectives, a transition which has been described as one from public service *broadcasting* to public service *media* (Bardoel and Lowe, 2007). Donders (2012, p.2) sounds a cautious note describing public service media as "a policy project that represents a future stage in PSB." She continues: "Pre-set policy objectives, a level of accompanying regulation and an expansion of the PSB project to new media platforms qualify a project as public service media." Some writers have seen this transition as an opportunity to establish a new two-way dialogue between public service media and their audiences offering the potential for a new kind of public participation in the media (Bardoel and Lowe, 2007; Enli, 2008; Iosifidis, 2011). However several writers including Vanhaeght and Donders (2014) and van Dijck (2009) argue for a more nuanced approach. They raise theoretical difficulties in specifying what is meant by participation and co-creation; and cite empirical research that suggests that there are issues around effective implementation, audience demand and the good faith of broadcasters who seek to legitimise public service media on such grounds. According to Moe (2011) the move

beyond broadcast media into online and mobile also makes it more problematic to argue the case for funding arrangements established to provide public service *broadcasting*.

In recognition of its special status the BBC has traditionally had a unique form of governance, separate from that of the commercial broadcast sector, which is regulated by a single media and communications regulator Ofcom. Until 2007 a board of Governors oversaw the BBC; since then it has reported to the BBC Trust. However in recent years the UK broadcasting regulatory regime has changed towards a more market-based, deregulated model (Iosifidis et al., 2005; Seaton, 2010; Hendy, 2013). This is part of a more general change in the dominant logic of UK and European broadcasting. Since the 1980s a new logic, that of the market, has begun to have an increasing impact (Hendy, 2013, p.90; Iosifidis, 2007).

Marketisation

The second dominant logic is that of marketisation. In the UK and throughout much of Europe until the 1980s public service broadcasting was the norm, based upon spectrum scarcity. However the arrival of new competitors in the form cable and satellite television providers with a pay-tv model led to an explosion of channels and challenged this model with one based upon consumer choice (Hendy, 2013, pp.90-95; Seaton, 2010). The key values of the market logic include competition, the profit motive, choice, privatisation, liberalisation, deregulation, cost-benefit analysis, transparency, accountability and framing individuals as consumers as well as, or rather than, citizens (Hendy, 2013, pp.90ff). Livingstone and Lunt traced the impact of this thinking and of the institutionalisation of the construct of the “citizen-consumer” during the process of the establishment of the telecoms regulator Ofcom (2012, p.8).

Karppinen and Moe (2014, p.328) distinguish two separate meanings of the terms “market” and “marketisation” in the literature of media and communications. Both are relevant here. The first sees the market as “a concrete, empirically observable institution – the marketplace”. The second meaning is more metaphorical and as a perspective for discussion and analysis it can be extended to non-market institutions such as public and state bodies: “marketization can also refer to the emergence of the market as a justificatory framework (and the displacement of other frameworks) for media policy” (Ibid, p.334).

The economic philosophy underpinning this particular model of the market can be traced back to Friedrich Hayek and the Chicago school of neo-liberal economists, notably Milton Friedman who argued for freedom of choice. They felt that the state was in danger of crowding out private enterprise, which they saw as the best guarantor of consumer sovereignty. The advent of the market logic in the UK is seen as part of a more general trend across Europe and North America, that is “the incursion of economic (specifically, market) logics into organisation fields previously organised around other logics. In particular, fields once dominated by professional (including non-profit), public (state), or craft logics have been colonized by neoliberal views” (Scott, 2014, p.251).

The impact on UK broadcasting has been seen in demands for the BBC to become more business-like and efficient, to launch a separate division to provide commercial services to help pay its way, and to draw back from some areas of activity, particularly in online (Collins, 2006; 2011, p.53; Brevini, 2013, pp.26-28). The BBC has increasingly also become subject to the requirement to become more accountable and justify its activities in measurable market terms. The BBC’s response has been according to one critic “for management to embrace the full panoply of neoliberal economic themes: markets, competition, efficiency, the pursuit of commercial activities and international markets” (Born, 2004, p.58). However Hesmondhalgh and colleagues (2015) caution against too simplistic a reading of the concept of neo-liberalism in the context of UK media policy, pointing to significant differences between the cultural and media policies pursued by Conservative and New Labour administrations. In this study therefore I will continue to use the term marketisation implying both senses identified by Karppinen and Moe (2014).

2.7 Conclusion

This chapter has reviewed the literature of strategy development and organisational studies in order to establish the conceptual and analytic framework for my research. I have drawn upon the new institutionalist perspective for my account of the historical background and for the research that forms the basis of my findings chapters. Institutionalism focuses upon the relationship between the workings of an organisation and the dynamics of its environment, conceived of as its organisational field, or strategic action field; and on how an organisation’s environment structures the way institutional actors perceive, interpret and act upon the world (Powell and DiMaggio, 1991, p.12). I have argued that this approach is well suited to the research aim of exploring how the BBC leadership viewed their

challenges and options during Charter renewal from 2003 onward, how they made sense of these, and why they acted as they did.

Institutions are the core building blocks of society, socially constructed and iteratively reproduced. The key concepts that I derive from new institutionalism with relevance to my enquiry are those of legitimacy, and the dynamics of organisation field and institutional logics within the context of the strategic action field approach of Fligstein and McAdam (2012). Legitimacy is the need on the part of an organisation or institution to offer a credible justification of itself and its activities within a framework of commonly held values (Scott, 2008, p.59). Legitimacy in this sense is a prerequisite of corporate survival. Tension between institutional logics can precipitate a crisis of legitimacy, which an organisation must successfully address or jeopardise its continued existence. This has relevance to understanding the situation the BBC found itself in as it entered the Charter renewal process in 2003.

Strategy may be understood as a process concerned with major decisions about an organisation's future direction. I have reviewed the two schools of strategic thinking that I see as complementary: the normative rationalist school, which sees strategy as a forward-looking plan, and the interpretative or adaptive, which sees it as an outcome that is recognisable with hindsight. While all strategy is a bet about the future, rather than viewing it as a fixed decision making point, we may best characterise it as a constantly shifting process of adaptation and reorientation in relation to perceived threats and opportunities in its environment. It may show long-term continuities but may equally well be ad hoc, expedient and opportunistic. Moreover we can only be confident that we have recognised a strategic development with the benefit of hindsight. In practice, as Mintzberg (1987b, p.149) put it citing Kierkegaard, strategy, like life: "is lived forward, but understood backward". That is to say that in seeking to understand strategy, it can be as important to focus on *implementation* as on *intention*. As I have already indicated, this injunction is relevant to analysing the iPlayer and the Creative Archive case studies.

Both the implementation of strategy and the adoption of an innovation may be seen within this broader perspective as aspects of a process of institutionalisation. The study of institutionalism leads us to ask what features of an organisation's wider environment or field may affect the way key actors frame, identify and interpret the challenges the organisation faces. It suggests we examine strategy and its outputs as social constructions,

which may be reproduced and reinforced through a process of institutionalisation. It directs us to identify the relevant organisation field and focuses our attention on the dynamics of that field, the various roles within the field, and the potential tensions between dominant institutional logics.

My research therefore focuses on the extent to which these particular social constructions have had an impact on BBC strategy development and decision-making. “Broadcasting is configured by politics, law and regulation, by technological change, by the balance between market and state, and by values and beliefs contending in the national public sphere” (Schlesinger, 2004, p.5). The institutional logics perspective sees these values and beliefs as deriving their strength from the dynamics of the organisational field. The next chapter explores further how the logics of public service broadcasting and the market and the tensions between them have affected the BBC, and how the Corporation mediated and responded to these. As Schlesinger put it: “Institutions oriented to public service are inescapably conditioned by market imperatives as well as by public policy objectives” (Ibid). In the analysis which follows, the process of Charter renewal may be seen as a period of heightened contention when the tensions between the institutional logics with the BBC’s organisational field are particularly acute, and when the BBC faces a potential crisis of legitimacy which it must resolve successfully if it is to survive. The relevance of this perspective will be also be seen in relation to the salience of questions of legitimacy and corporate survival that were raised by my interviewees and are discussed in the findings chapters devoted to my three cases studies.

Chapter Three: The BBC's changing organisational field 1980s-2003

This chapter sets out the immediate historical background to the BBC's development of on-demand strategy and the Public Value Test. Using the institutionalist framework described in the last chapter, in particular the concepts of organisational field, strategic action field, contestation and institutional logics, it explores the principal changes in the UK broadcasting from the 1980s on. It looks at how the BBC interpreted and responded to these threats and opportunities in its organisational field, and how these developments contributed to the crisis the BBC found itself facing as it prepared to address Charter renewal in 2003, a critical period for the BBC when it was negotiating with the government for its continued existence. The aim is to identify some of the key dynamics and institutions and establish a context for understanding the research findings.

The chapter begins with an examination of some of the features that distinguish the BBC as a public service broadcast institution. This is followed by an exploration of changes in the wider field of broadcasting which the BBC found itself having to address during the 1990s, together with the principal features of the BBC's response to these. It focuses upon changes in the political sphere, in broadcast technology, in particular the growth of digitisation and the Internet, and in audience expectations and behaviour. It develops further the analysis of the increasing pressure of the logic of marketisation upon the idea and practice of public service broadcasting. This leads into a discussion of the immediate context for the challenges that the BBC saw itself as facing in the Charter renewal process, and the salient features of the BBC's response in order to prepare the ground for the research case studies that form the body of the three findings chapters.

3.1 The BBC as an institution

In order to make sense of how the BBC approached Charter renewal in 2003, why digital and on-demand came to play such a prominent role and why the BBC felt a need to revisit its public service remit, it helps to understand the kind of media organisation the BBC was at the time and its particular place in British broadcasting. This means examining not only the BBC but also its organisational field and the relationship between the two.

The British Broadcasting Corporation, initially founded as a commercial enterprise, was established as a public corporation under a Royal Charter in 1927 with a national monopoly of radio broadcasting. The remit was later extended to include television. Its status as a public corporation meant it was answerable neither to shareholders seeking profit, nor was it a direct arm of government; it was an independent body funded by a licence fee, in essence a hypothecated tax (DCMS, 2006b; Hendy, 2013, p.94; Seaton, 2015).

The Corporation derives its legitimacy from being seen to deliver on its public service mission. This is defined in its Royal Charter as “to inform educate and entertain”, to be an impartial news provider and to provide universal access to its programmes and services free at the point of delivery to the audience (DCMS, 2006b, p.3; Debrett, 2010, p.187; Hendy, 2013, p.94).

The Corporation's remit has evolved over the years, as it has adapted to the changing demands of the broadcast field. Successive governments both Conservative and Labour have added to its Public Purposes to include meeting a broad range of government policy objectives including citizenship, diversity, international understanding, assisting the growth of the creative economy, helping to “build Digital Britain”, achieving the digital television switchover, and encouraging the take-up and promoting the benefits of new technologies (Department of National Heritage, 1997; DCMS, 2006b). These are spelled out in its Public Purposes and contained in its Royal Charter and Agreement (Hendy, 2013; BBC Trust, n.d.b). Unlike a private corporation the BBC is not judged by its ability to deliver profit, market share, or capital growth but on its ability to deliver on its remit. This makes it particularly vulnerable to any convincing attack upon its legitimacy. Any threat to its ability to fulfil its mandate could potentially undermine the legitimacy of the licence fee, the BBC's core source of funding, and jeopardise its survival (Born, 2004; Iosifidis, 2007; Hendy, 2013).

As a result of its unique status the BBC occupies a central but contested place in public life. It is subject to continual public and political oversight of every aspect of its activities: the meaning of and rationale for public service broadcasting; its governance and accountability; its relationship to the wider broadcasting industry: and the nature and quality of its programmes and services. To fulfil its remit the Corporation must therefore successfully address and reconcile a number of potentially competing pressures. As an organisation it must please several different stakeholder groups with different and

sometimes conflicting agendas. These include the general public, Parliament, competitors and the news media who may also be (owned by) commercial rivals (Born, 2004; Collins, 2011; Hendy, 2013).

The issue of defining or redefining public service has both an internal and an external dimension. Legitimacy within the BBC's organisational field may not be enough on its own. Any definition must also be accepted and shared by the institution's members as a whole. This is the point at which institutional logics and production, or at least organisational culture may meet. While the two may coincide, there is also potential for tension between them.

Throughout its history the BBC has survived as an organisation by proving adept at achieving a balance between the sometimes competing demands of its various constituencies. Its original broadcast monopoly in the UK lasted until 1955 in television when the commercial advertiser-funded channel ITV launched, and until the early 1970s in radio when the first commercial stations began to broadcast. In each case, after an initial loss of audience to the newcomers, the BBC recovered in terms of both ratings and popularity. The BBC also responded competitively by introducing first colour television and then a second television channel, BBC2 (Seaton, 2010; Hendy, 2013). Rising television ownership meant that the BBC enjoyed a prolonged period of steady income growth and relative stability.

Until the 1980s the BBC and its commercial rival ITV occupied a dominant position within UK broadcasting in what has been described as a "comfortable duopoly" (Peacock Committee, 1986; Ward, 2008, p.246). ITV had a monopoly of television advertising in exchange for some public service responsibilities, while the BBC enjoyed a monopoly of public funding. In 1982 they were joined by Channel 4, an advertiser-supported public service publisher-broadcaster (Birt, 2002; Ward, 2008; Hendy, 2013).

3.2 The BBC and the UK broadcast field

The BBC ITV duopoly came to an end in the 1980s when UK broadcasting entered a period of rapid change with a number of challenges to the concept of public service broadcasting and "shocks" (Fligstein and McAdam, 2012) to the BBC's incumbent position within its organisational field. The BBC found itself having to address pressure from successive Governments; aggressive competitors with new business models,

technology platforms and rationale; the impact of digitisation and the Internet; changes in audience behaviour and expectations; and the growing pressure of marketisation in the forms of demands to become more business-like and consumer market focused and for the BBC to pay its way.

The concept of organisation field elaborated in the previous chapter is used here because it offers a greater scope and heuristic power than such definitions as industry, sector or market. It comprises all those “who are meaningfully involved in some collective enterprise” (Scott, 2014, p.258) and so directs our attention to all relevant actors who may facilitate or constrain institutional thinking and action including audiences, suppliers, competitors, regulatory agencies and political bodies (Powell and DiMaggio, 1991b, p.64). As we have seen in the previous chapter, Fligstein and McAdam suggest that when an organisational field, such as UK broadcasting, is subject to shocks from adjacent or related fields, it is likely to trigger a period of contention which focuses upon the internal governance units and attempts to redefine the institutional logics i.e. rules of the game (Fligstein and McAdam, 2012, p.8). Therefore the historical analysis that follows examines the behaviour, the actions and reactions of other UK broadcasters, audiences, regulatory agencies such as the BBC Governors, the BBC Trust and Ofcom, the BBC’s critics and cheerleaders in the press and media and other political players including the government of the day.

3.3 Political pressures

The first threat or “shock” came from the political sphere and the Conservative government of Margaret Thatcher, many of whose senior members were hostile to the BBC, not only because they questioned its impartiality in the wake of several controversial programmes mainly about Northern Ireland (Birt, 2002, p.333; Born, 2004, p.49; Seaton, 2010, p.222), but also because they had issues with the public service rationale for the BBC: “For the first time the legitimacy of BBC values as well as their practice was directly contested” (Seaton, 2015, p.5).

The BBC Chairman, Marmaduke Hussey brought in John Birt, chief executive of one of the commercial television companies, London Weekend Television, as Deputy Director-General in 1987 to bring managerial order to the BBC, and specifically BBC News and Current Affairs. The immediate aim was to mend fences with Margaret Thatcher’s Conservative government and to help secure the BBC’s future (Birt, 2002, p.331; Seaton,

2010, p.216). Birt introduced editorial changes and managed to mollify the government. However he was dismayed at what he felt was a BBC unprepared for the serious threats facing it. He established a new department of Policy and Planning staffed by young recruits mainly from the world of business consultancy, and supplemented by external consultants. Its aim was to liaise with government and to undertake serious long-term strategic planning, because Birt (2002) believed, “if you had the best-considered plan, you were likely to win” (Birt, 2002, p.333). Strategy making developed as a separate department and activity at the BBC when a long period of relative stability gave way to one of turbulence, change and external threat.

Among the first questions Policy and Planning was called upon to address was an impending shortfall in the BBC's revenue. For half a century income from the Licence Fee had risen hand-in-hand with television sales. However this revenue had plateaued in the 1980s as television ownership reached saturation point. Nonetheless production costs continued to rise, putting a strain on the Corporation's finances, further exacerbated by rising costs of programme acquisition as cable and satellite began to compete for content (Starks, 2007, p.65; Iosifidis, 2007, p.88; Ward, 2008, p.248; Küng, 2008; Picard, 2011).

The Conservative administration was ideologically opposed to the idea of public service and committed to a neo-liberal economic philosophy. Having enjoyed success with the privatisation of public industries such as gas and telecoms it now began to explore the possibility of replacing the licence fee with an advertising-supported BBC, through the establishment of a commission of enquiry led by economist Sir Alan Peacock in 1986. Peacock however argued against the proposal after being lobbied by the ITV companies who were worried about losing their near-monopoly of television advertising (Peacock Committee, 1986; Seaton, 2010, p.395). Despite this the licence fee settlement in the 1990 Broadcasting Act represented a cut in the BBC's income in real terms and for the first time opened up in-house producers to competition through the imposition of a quota of 25% of production for independent suppliers (Seaton, 2010, p.216). The possibility of funding the BBC in whole or part through advertising or subscription remained in play after Peacock's enquiry. Birt (2002, p.334) saw this as: “a lethal threat to the BBC. The BBC's public purposes were inextricably bound up with its public funding via the licence fee. Changing the nature of its source of funding would change the BBC itself”.

The pressure of marketisation, in both the senses identified by Karppinen and Moe (2014), the market as an institution and as a form of justification, did not go away. Indeed the

concept of public service *was* beginning to be called into question and the Corporation was under pressure to become more measurable and accountable in market terms (Born, 2004; Iosifidis, 2007, p.8; Seaton, 2010, p.218). Thatcher's successor as Conservative Prime Minister, John Major, continued the drive to make the BBC become entrepreneurial and efficient. He wanted to see the BBC supplement its declining licence fee income by developing its commercial activities including programme sales. His government introduced the practice of adding social policy goals to the BBC's remit with a commitment to digital switchover. The BBC's response was two-fold: *Extending Choice* (BBC, 1992) introduced greater efficiencies with an internal market system *Producer Choice*; and commercial partnerships in the US with Discovery networks, among others, to enable the BBC to raise additional income through the exploitation of its programme rights. In 1995 a government White Paper, *The Future of the BBC*, prepared the way for a new Charter and the establishment of a commercial arm, BBC Worldwide (Department of National Heritage, 1992).

The Charter also included a provision for the BBC to raise further revenue by selling-off its transmitter network. The BBC was no longer to be a vertically integrated broadcaster. This was seen as a concomitant of its duty to offer universal access (Smith, 2006, p.15), and established the principle of platform neutrality i.e. that the BBC would no longer own its own means of distribution but aim to ensure its content was available to all potential platform providers equally and without favour (BBC, 1992; Barrie, 1999; Birt, 2002, p.341ff; Donders and Pauwels, 2008, p.305; Seaton, 2010, p.217).

The replacement of the Conservative administration by a New Labour government led by Tony Blair in 1997 did nothing to slow the drive to marketisation. Successive Labour governments continued to stress the importance of market values, competition, measurement, openness, targets and accountability; and similar thinking began to inform EU broadcasting legislation (Iosifidis, 2007, p.180; Brevini, 2013; Hesmondhalgh, et al., 2015).

3.4 Multichannel competition

The next major threat to the BBC's position was the arrival of new competitors, marking, what Lotz terms, "the multichannel transition" in television (2014, p.25). These were multichannel operators with a new business model, pay-tv, and new platforms. First came cable with MTV and CNN and then satellite with Sky in 1989 (BSkyB from 1990). Sky

launched with some thirty channels and few customers but rapidly began to grow. By the mid-1990s it had become a powerful competitor with dozens of channels and a rapidly growing subscriber base. Through a legal technicality Sky was able to claim exemption from UK regulation and public service obligations (Smith, 2007, pp.65-70; Ward, 2008, p.246).

Public Service Broadcasting's near monopoly had been predicated upon spectrum scarcity but, as the advent of cable and satellite led to an explosion of channel choice and increasing competition for viewer attention that argument began to carry less weight. The impact of multichannel on the PSBs was immediate and dramatic. Audiences began to decline and fragment. Over the course of the 1990s the audience for the flagship channel BBC 1 fell from an average 35% to around 25%; while ITV experienced a similar decline of ten per cent to something like 30%. This led to an erosion of support for the legitimacy of the BBC licence fee. Viewers accustomed to an abundance of channels began to ask why they were paying a separate licence fee for only two BBC channels and three radio stations (Küng-Shankleman, 2000; Iosifidis, Steemers and Wheeler, 2005; Birt, 2002; Küng, 2008, p.214; Küng, Picard and Towse, 2008; Ward, 2008, p.250; BARB, 2014).

3.5 Digital platforms and universal access

The next challenge was digital television. Sky launched the first digital television channels on satellite in the UK in 1998. For the audience this offered the promise of even greater channel choice, but for the BBC it meant more competition and carried the further risk that it might lose direct access to the licence-fee paying audience. The BBC had always been dependent upon gatekeepers for access to the public, but until it sold off its transmitters it had owned the gateway itself. There was now the potential for the BBC to be held to ransom by commercial platform owners who could control a bottleneck between the BBC and its audience. This threatened to undermine the BBC's ability to guarantee universal access, a fundamental plank of its public service mission (Doyle, 2013, p.23). What is more, on terrestrial television sets the BBC and other public service broadcasters had traditionally enjoyed the leading positions with channels 1, 2 3 and 4. Now in a world of hundreds of channels there was no guarantee that their channels would continue to occupy a prominent position on commercial competitors' electronic programme guides (EPGs). "Within a decade," Birt wrote, "we realised, digital satellite, digital cable and digital terrestrial broadcasting would bring unparalleled competition and multiple pathways into the home. The BBC simply could not afford its own satellite, cable and

telecommunications systems. It was inevitable that others would soon control the gateway into the home” (Birt, 2002, p.454).

3.6 Digital television and radio

The BBC response was to launch its own range of digital television, radio and online services to compete. The BBC had responded pre-emptively to Sky’s anticipated digital launch with a new strategy set out in *Extending Choice in the Digital Age* (BBC, 1996). This proposed to combine popular and quality programming and to launch a range of new digital services on television, on radio and via the new medium of the Internet. It was the 1996 Broadcasting Act that opened the way for the launch of digital television in the UK (Department of National Heritage, 1995; BBC, 1996; Born, 2002, p.63).

The BBC began to extend its reach with a portfolio of television channels including its terrestrial flagships BBC 1 and BBC 2 on all the new digital platforms, cable, satellite and terrestrial digital. Digital transmission began in October 1998 with BBC Choice when BSkyB and then ITV’s ONdigital terrestrial digital consortium launched; digital cable followed in 1999. BBC Parliament and News 24 followed not long after. BBC Knowledge from BBC Education completed the line-up in June 1999 (Birt 2002, p.454; p.464; Starks, 2007, p.48; Smith, 2007).

Digital television offered the BBC further opportunities to extend and enhance its public service proposition with audience benefits including: better quality audio and video, greater reliability, more channel capacity and the potential for interactivity. From the broadcaster’s perspective digital made the production, reproduction and distribution of content far simpler, cheaper and more flexible (Birt, 2002, p.451; Starks, 2007; Smith, 2007). Specialist channels designed to appeal to niche audience groups also helped the BBC to remain relevant and avoid being marginalised. This process was informed by a new BBC emphasis on market research (Birt, 2002, p.462; Starks, 2007; Smith, 2007; Iosifidis, 2012).

A further factor which prompted the BBC to embrace digital television was the desire to accommodate the Major government’s aim to switch over to digital delivery; a provision included in the Broadcasting Act 1996 (Department of National Heritage, 1995; Starks, 2007, p.33). The Treasury hoped for a one-off bonus from an auction of the analogue spectrum freed up by the switch. Major also aimed to provide a counterweight to BSkyB.

Digital terrestrial television which users could access through their existing aerial, was felt more likely to appeal to sections of the audience that had proved reluctant to adopt pay-tv on cable or satellite (Birt, 2002; Smith, 2007; Starks, 2007, p.33; Debrett, 2010).

Despite advice from consultants McKinseys, and the entreaties of the ITV companies who tried to secure the BBC channels exclusively for their ONdigital platform, the BBC refused. ONdigital's technology was seen as untried and its prospects uncertain while the cable companies were seen as weak and loaded with debt. The BBC felt it had little option if it wished to guarantee universal access but to make its digital channels available on all digital services, pay and free-to-air and not just digital terrestrial. The BBC view was vindicated within a short space of time as Sky gained 85% of the digital TV market, while ONdigital had only 15% (Birt, 2002, p.455p; Smith, 2007, p.187; Starks, 2007).

Birt's fear of gatekeeper power may have been reinforced by an eighteen-month stand-off with Murdoch's BSkyB over the cost of the carriage fees the BBC would have to pay to gain access to the BSkyB digital platform, and the BBC's prominence on Sky's electronic programme guide. BSkyB, also reluctant to accommodate a competitor to Sky News onto the platform, made an official complaint to the EU seeking to have BBC News 24 closed down on grounds of unfair competition and breaching State aid rules (Birt, 2002, p.463). The BBC lobbied hard, in Westminster and Brussels, and eventually prevailed with guarantees of prominent placement on all platforms and EPGs for PSB channels (BBC, 1998b; BBC, 1999; Birt, 2002, p.459; Smith, 2007, p.188; Starks, 2007, p.31).

The BBC's radio services joined television on all the new digital platforms. The BBC also rolled out digital radio using a new European Digital Audio Broadcast standard (DAB). In this case however the BBC was not responding to public demand, which only grew very slowly, nor was it responding to new forms of competition; there were none. The main driver appears to have been the BBC's desire to be seen to help deliver the government's industrial policy objectives. UK Governments and the European Commission were keen to drive take-up to help foster a European consumer electronics industry. The BBC acted as both innovator and market maker (Rudin, 2006, p.176). The head of BBC Radio, Jenny Abramsky, argued that the BBC should "take leadership in driving the adoption of digital radio by the audience, the market and the industry" (BBC, 2003c). The BBC's, it's argued, "was a clear example of a supply-led intervention that kick-started a new industry" (Hendy, 2013, p.110).

3.7 The Internet and BBC Online

A further major challenge to UK broadcasters came with the advent of the Internet. The BBC recognised that it was significant, but was unsure how best to respond. Director-General John Birt was an early enthusiast for the potential of computers and the Internet, yet his autobiography acknowledges that the BBC lacked “a comprehensive all-embracing strategy for the new medium” (2002, p.471). It was the actual encounter with the burgeoning dot com sector in Silicon Valley on a visit in 1997, he says, that brought about a recognition of the “miraculous capabilities of the Internet” with its promise of greater accountability and audience participation (Birt, 2002, p.472). During the visit he sketched an outline for an Internet strategy, which led to DCMS permission for a one-year pilot. Permanent approval was granted in October 1998 (Graf, 2004, p.17; Dean, 2006, p.19). The BBC’s Internet services built upon existing BBC initiatives and experimentation (Butterworth, 2008; Blythe, 2012). “All over the BBC,” Birt wrote, “technologists and producers were siphoning off modest funds from programme and other budgets and experimenting, normally on the back of established programmes” (Birt, 2002, p.469).

The BBC’s move into the provision of Internet services was an extension of its role as an innovation leader for the UK broadcast industry (Seaton, 2010, p.228). BBC Research and Development had pioneered a variety of technologies such as NICAM stereo that had become industry standards. BBC Education had a reputation for encouraging the take up of computers and the Internet with the BBC Micro and the Domesday Project (Butterworth, 2008; Blythe, 2012). The BBC’s launch of Internet services appealed to the new Labour government of Tony Blair, which came to power in 1997 eager to encourage the advent of the information age. BBC online would offer “unique content” to “forge a new relationship with licence-fee payers”, to “strengthen accountability” and act as a “trusted guide to the new media environment” (Graf, 2004, p.17; Dean, 2006, p.19). This positioning was aligned to the language and themes of the New Labour government such as innovation, the information society and inclusion. Birt argued that without a strong public service presence online there was a danger of creating “the information poor –an underprivileged knowledge underclass” (BBC, 1999). Indeed as Brevini (2013, p.9) notes at this point it was European Commission policy to encourage public service broadcasters to launch online services and take the lead in encouraging Internet take-up.

The flagship service BBC News Online launched in November 1997 providing text, image, and some limited streaming of broadcast bulletins (Küng, 2000; Butterworth, 2007; Orlowski, 2012). Birt had recognised the potential of online as a way of enhancing the BBC's public service proposition and decided to lead with News: "The news demo was the critical moment – I knew this is going to be an important public service medium, and it has to be funded by the licence fee, and it's going to be very successful. And we've got to be there, and be pioneers" (Orlowski, 2012). BBC Education followed the year after; and a new department, BBC Online, was established to support and promote general output, with opportunities for interaction, participation and feedback (Guardian, 2002; Graf, 2004; Stone, 2011).

Despite Birt's championing of a "well considered" plan, in practice his approach appears to have been rather ad hoc and opportunistic. There was no formal provision in the 1996 Royal Charter, yet he sanctioned the launch of News online before receiving government approval; and followed up with a campaign to win acceptance for his online strategy from a wider group of stakeholders (Birt, J. 2002, p.472; Orlowski, 2012).

From the outset the BBC and Birt appear to have been uncertain quite how to position the BBC's Internet presence, and how to justify it in relation to the BBC's public service remit. One of the BBC's earliest forays into new media came in April 1994 when BBC Education launched the BBC Networking Club, a combination of club, bulletin board for enthusiasts, Internet Service Provider (ISP), and guide to the Internet with a monthly membership fee (BBC Internet blog, 2014a; 2014b). However this was closed after two years for competition reasons, "as it was considered inappropriate for the BBC to sell Internet access whilst new Internet service providers were launching in the UK" (BBC, n.d.f; Auckland Interview, 2014). In the mid-1990s, according to Birt, "the BBC developed a false view of the Internet. We decided it was really an extension of the magazine business and that BBC Worldwide should take the lead in developing commercial applications" (2002, p.470). Following this line of thought BBC News Online, which later came to be seen as a triumph for public service, was originally conceived of as a commercial enterprise. Only when he saw the first mock-up of BBC News Online web pages Birt says, did he recognise the implications and reverse his position (Birt, 2002, p.470; Orlowski, 2012).

Indeed whenever the BBC introduced a new service it found itself facing a dilemma: on the one hand it could take credit for helping the government achieve certain policy goals

such as digital switchover, and enhance its reputation for leading industry innovation; on the other, it risked being taken to task for failing to fulfil its obligation to universal provision by launching services which were likely to be available, at least initially, only to a handful of early adopters (Iosifidis, 2007, p.71).

More damagingly it laid itself open to the charge that it was moving beyond its public service broadcasting remit into areas that commercial competitors could and should provide, and in doing so was in danger of stifling innovation and the growth of a new market. This dilemma was one that became common to all public service broadcasters as they followed the BBC's lead, according to Moe:

“As different digital media mature, it gets problematic to legitimize public service arrangements with reference to a form – broadcasting – which constitutes just one part of the actual service. On the other hand, if regulations are detached from broadcasting, they simultaneously let go of the rationale grounding public service privileges as a tool of actual policy”. (2011, p.52)

The BBC's solution was to promote its role as innovator while also insisting that each new service was just a new way to fulfil its traditional remit in a changing media environment. Thus the BBC's key objectives set out in its 1998 service licence positioned BBC Online as a natural extension of public service broadcasting into this new “third medium”. Birt's success according to Küng was that he “framed the Internet as a step forward into the digital future which was necessary to preserve and extend the BBC's historic role” (Küng, 2008, p.171).

Initially BBC online was seen as a marginal operation, both inside and outside the BBC, however audiences took to it enthusiastically and in increasing numbers, and bbc.co.uk soon became the leading content site in Europe and among the top five in the world. The flagship News Online service won four BAFTAs in succession justifying Birt's intervention, and helping to propel the BBC into a leading position online with some forty-six million page views per month by the year 2000 (Graf, 2004; Guardian, 2002; BBC, 2001).

3.8 The Hever strategy process

The BBC response to the rapid pace of development of media technology did not end there. Birt felt it was important to anticipate change, as well as react to it. He tasked his Head of Corporate Strategy Ed Richards with leading a yearlong forecasting exercise involving the entire strategy department. This followed on a major marketing exercise designed to inform its commissioning process and help the BBC understand its audience better by breaking it down into one hundred consumer “tribes” (Robins, 1998; Broadcast, 1999). The strategy process kicked off in September 1998 with a conference at Hever Castle for the BBC leadership including both the Executive and the Governors. The aim was to develop a picture of the media consumption in a near future “total digital” world so that the BBC could prepare to adapt and position itself (BBC Written Archives, 1998). The final conference in 1999 attended by the incoming Director-general Greg Dyke, delivered a prescient vision which envisaged the media landscape going through “three phases of digital”: words on-line, near video-on-demand, and full video-on-demand as technology advanced and audiences changed to expect media to be available whenever and wherever they wished on mobile as well as fixed platforms (BBC Written Archives, 1999; Wyatt, 2003, p.335). If the direction of travel was clear however, the timing was not. The likely timescale for such developments was felt to be as much as twenty years away.

“Ed propelled us far into the future with his Hever work, closely defining the possible shape of the total digital universe ahead, beyond the world of linear networks, in which consumers move seamlessly from TV to PC to radio to hand-held mobile devices, a world in which consumers will interact and obtain services on demand and will use small, light storage devices with a near infinity of memory”. (Birt, 2002, p.477)

Born (2004, p.485) quotes one senior executive who described the Hever strategy as, “a bold, intellectually rich, intensely conscientious, ramified vision for public service in the digital age”. As a first step towards an on-demand world Hever proposed new near video on-demand (NVOD) services for both public service and BBC Worldwide; and BBC Radio received funding for an online service (BBC Written Archives, 1999; Nelson Interview, 2014). The documents betray concerns about audience approval and losing ground to competitors. There were also financing issues and the documents argue for the need to make a case for an increase in funding to support the BBC’s digital media ambitions (BBC Written Archives, 1999). The Hever exercise according to Birt “helped us understand how

the BBC could avoid becoming marginalised in the digital age, how it could continue to present a public service alternative” (2002, p.477).

The cost of new services had begun to stretch the BBC's budget and the Corporation pressed for an increase in the Licence Fee. In a publication setting out its vision of the future *Beyond 2000* the BBC appealed to New Labour digital economy rhetoric with the argument that its drive to digital could spur innovation and help the UK's long-term competitiveness (BBC, 1998a; BBC, 1999; Born 2002, Hutchinson, 1999; Starks, 2007, p.65). *The Future Funding of the BBC*, a review of the BBC's finances by Gavyn Davies, proposed a special levy to support the BBC's digital services, an idea that was vigorously opposed by the BBC's critics and competitors (DCMS, 1999; Iosifidis, 2007, p.88). The government however was sympathetic, as it looked to the Corporation to help with the digital switchover, on both television and radio; and to help build “Digital Britain” by explaining and encouraging the use of new digital technologies.

The BBC under its new Director-General, Greg Dyke, won an above average settlement of the licence fee at inflation plus 1.5% over the period 2001-2006, with the increase partly meant for digital services (Hutchinson, 1999; Dyke, 2004; Froud et al, 2006; Starks, 2007, p.68; Iosifidis, 2012, p.88). Announcing the Licence Fee increase Secretary of State Chris Smith spoke of the importance of the BBC in driving the “take-up of new digital and online services,” and noted that its priorities for the next seven years included, “developing interactive services” and “the exploitation of new learning possibilities opened up by interactivity” (Hansard, 2000, Column 1240).

Despite multiple threats and internal struggles, and criticism from both within and outside the Corporation of Birt's managerial style and achievements during the 1990s, Seaton suggests: “Birt, and his team, managed to steer the Corporation through the greatest-ever challenge to its existence” (2010, p.222).

3.9 Freeview and Freesat

With the favourable Licence Fee settlement the BBC launched an ambitious programme of digital media developments building upon its strengths in online and digital television. Birt's successor Greg Dyke created a new post of Director of New Media and Technology, appointing Ashley Highfield from pay-tv company Flextech (Guardian, 2002). BBCi comprising Online and interactive television expanded with initiatives to exploit the

potential of broadband, the mobile Internet, and interactive “red button” television (Broadcast, 2001). BBC New Media developed blogs, podcasts, offered personalisation, and community message boards. Highfield said: “We have got to make sure at the BBC that no programme gets pitched to us unless the interactive element has been thought through” (Broadcast, 2001a). There followed a period of rapid growth characterised by experiment with multiplatform projects offering opportunities for participation including: Celebdaq, a celebrity stock market; Fight Box, a games project; Jamie Kane, an immersive online teenage drama; and iCan, a social action project from BBC News (Guardian, 2002; Graf 2004; Wikipedia, n.d.a; Hermida, 2010; Michalis, 2012). This was positioned by Highfield as the BBC fulfilling its traditional role as the leader of innovation in the broadcast industry: “Technical innovation and reinvention are critical to the BBC, we've spent the last 80 years doing so...the BBC has to enter and explore new markets, and then help set the standards and infrastructure to enable others to swim in the same waters” (BBC, 2002).

However the BBC then found itself faced with another shock: in 2001 ITV's terrestrial digital platform ONdigital, re-branded as ITV Digital, collapsed. The threat was that once more the BBC might be cut off from access to the digital terrestrial audience, undermining the case for its own recently launched digital channels and services. There was another consideration: whenever the digital switchover took place, BBC channels would have to become digital (Dyke, 2004, p.187; Küng, 2005, p.6; Smith, 2007, p.18). The DCMS, concerned that without an alternative, Sky could dominate digital TV and jeopardise the analogue switch-off, had approached Dyke to encourage the BBC to intervene (Dyke, 2004, p.183; Starks, 2007). A BBC team acted swiftly to recover the situation and worked with industry partners to create the Freeview digital set-top box offering digital terrestrial television (DTT), on the television set model. There was to be no subscription; the service would be free to the user after payment of a one-off purchase price.

The BBC had already developed a rudimentary contingency plan for a DTT platform. On the collapse of ONdigital, preparations began in earnest. Dyke set up a steering group with members drawn from Strategy, Marketing, Legal and Policy, and R & D (Dyke, 2004, p.163; Küng, 2005, p.4). It seemed a textbook example of the eight-stage change management process advocated by Dyke's mentor, Harvard Professor John P. Kotter (Kotter, 1996; Schlesinger, 2010). It may have been rather more off-the-cuff and pragmatic. Dyke surprised his team by announcing Freeview at a Downing Street seminar before many of the key technical or partnership issues had been solved (Küng, 2005, p.7).

Once he had settled on the importance of establishing a terrestrial platform, like Birt before him, Dyke's style was to act opportunistically to improvise a solution. Fairbairn later said: "that was Greg. He would make things public before we had necessarily worked it all through; gut instinct, a little bit of work, rapid fancy footwork back here to make sure it wasn't completely stupid" (Küng, 2005, p.7).

Once again, as it had with DAB, the BBC acted as lead industry innovator and market maker in line with the wishes of the government. The proposition was a free-to-air service, with fewer channels to ensure technical reliability and quality, and a set-top box priced below £100, based upon the traditional model of receiving broadcasting, a solution which emerged directly from intensive market research (Küng, 2005, p.5; Starks, 2007, p.84).

Some in the BBC were concerned that the decision was a reversal of the principle established in the mid-1990s at the time of the transmitter sale, that the BBC should be "a platform neutral content provider" (Küng, 2005, p.6; Donders and Pauwels, 2008, p.305). However where this principle came into conflict with the Corporation's need to guarantee universal audience access, the BBC opted decisively for the latter. According to Fairbairn: "Greg and I said 'We've got to do it... Who else is going to? The alternative is that it collapses'" (Küng, 2005, p.6). Freeview sold two million set-top boxes in the first year, the fastest rate of adoption of a new consumer product by UK households at the time (Starks, 2007, p.84). Dyke later described it as "perhaps the most important decision I took in my four years at the BBC" (Dyke, 2004, p.183).

3.10 Charter renewal

The next challenge the BBC faced was to win a new Charter then due to start in 2007. As suggested in the previous chapter, the process of Charter renewal has the potential to precipitate an institutionalised period of contention followed by a field settlement. It is the occasion for intense public and parliamentary scrutiny when the Corporation must make again the case for the Licence Fee and its continued existence (Seaton, 2010; Fligstein and McAdam, 2012). The previous Charter had run since 1996. The next was also due to run for ten years. The public discussion began formally in December 2003 (National Archives, n.d.). The next two years saw a prolonged consultation process involving a House of Lords Select Committee, two specially commissioned independent review panels, a Green Paper and a White Paper.

The BBC's task in Charter renewal was to refashion itself in a way that would be seen as both credible and relevant to its main stakeholders or constituencies: the politicians, in particular the government; its competitors; and the general public. The BBC made its case in two documents that opened the Charter renewal negotiation process. In 2004 the Corporation published *Building Public Value* setting out its vision of the future, and the *2003-2004 Annual Report and Accounts*, which complemented and further elaborated some of the main themes in *Building Public Value* (BBC, 2004a; BBC, 2004b). *Building Public Value* identified three principal challenges facing the Corporation: governance (and editorial); the meaning of its public service remit; and what it termed the "second digital revolution" (BBC, 2004a, p.9).

3.11 Governance

The issue of governance arose out of a political crisis, which put the BBC in conflict with the Labour government. It was precipitated by the Hutton report into the BBC's reporting of the Iraq war (Hutton, 2004). This led to the departure of its Director General, Greg Dyke, and the Chair of the Governors, Gavyn Davies. Journalism is central to the public service case for the BBC. Its credibility rests on its reputation for impartiality and editorial independence from government; but this has the potential to create tensions between the BBC and government, as it did on this occasion. Although the circumstances that led up to the Hutton Enquiry and the departure of Director-General Greg Dyke were unique, a conflict with the government over editorial issues was not (Hendy, 2013, p.38). The episode shook public confidence and raised questions about BBC governance and its journalism. There were concerns that the BBC Governors were too close to the Executive and did not exercise sufficient independence in their oversight of the Corporation (Iosifidis, 2012, p.93; Dyke, 2004; Hendy, 2013, p.31). In his introduction to the *2003-2004 Annual Report and Accounts* the new Chair of the BBC Governors Michael Grade acknowledged that for a brief while the very future of the BBC had been in doubt (BBC, 2004b, p.2).

Building Public Value combined a reaffirmation of the BBC's impartiality with measures designed to strengthen editorial accountability. The Governance question was met with proposals designed to ensure greater independence for the Governors and a clearer separation between them and the BBC management (BBC 2004a; BBC 2004b, p.2). The government was not persuaded. The new Charter replaced the Governors with a new body,

the BBC Trust, given responsibility for signing off on strategy and designed to be more independent of the Executive (DCMS, 2006b, p.3).

3.12 Rethinking public service

The next challenge the BBC had to address was to the concept of public service, which defined its mission and gave it legitimacy. This was against the background of changes in the governance and regulation of the BBC. For the first time, under the 2003 Communications Act, the BBC had become subject in some areas to oversight by a new media and telecommunications regulator, Ofcom (DCMS, 2003a). One of Ofcom's first acts was to launch a review of public service broadcasting (Ofcom, n.d.); and in the summer of 2004 the DCMS held joint seminars with the BBC on its public purposes (DCMS, 2006a, p.70). In the wake of the Hutton Report the government had ordered a review of all the BBC's output and services; there was talk of top-slicing its revenue, with contestable funding open to other public service broadcast providers, and even the abolition of the licence fee (Cox, 2003; Deans, 2003; Elstein, 2004).

The institutional logic of marketisation was becoming increasingly important as a form of legitimacy. As a result the BBC had to learn to speak the language of consumers and the market. Critics charged that by providing its content for free the BBC deprived commercial competitors of market opportunities. The BBC found itself in danger of being put into a position where its role would be restricted to providing for market failure only.

Competitors in the media, broadcast and print, complained that the BBC was competing unfairly. In one case cable, BSkyB and the DTT broadcasters ITV, Channels 4 and 5 succeeded in delaying the launch of BBC3, a new youth-oriented digital television channel, for eighteen months on the grounds that it was anti-competitive and not distinctive enough from its commercial rivals (Dyke, 2004, p.175; Starks, 2007, p.68).

It was in online that the BBC faced the most severe criticism. The rapid expansion of BBC Online had begun to raise concerns about overreach. In 2003 as part of the Charter renewal process Secretary of State for Culture Media and Sport, Tessa Jowell, announced a review of BBC online by a newspaper executive Philip Graf. In terms that highlighted worries about the potential for market distortion from BBC Online, she said: "We want to look at quality and value for money, how the online services fit with the BBC's public service remit, the services impact on competition and on the general development of the BBC's online services" (DCMS, 2003d).

There were numerous complaints from commercial suppliers and media competitors. One project in particular, the BBC's proposed £150 million education service, the Digital Curriculum, had come in for sustained attack. A group of online providers, the Digital Learning Alliance that included Pearson the Guardian Group, Espresso and Research Machines, spent years lobbying the European Commission in a bid to close it. A European Commission ruling allowed the project to go ahead, but with such restrictions that by the time of Charter renewal its future was felt to be in doubt (European Commission, 2003; Scanlon and Buckingham, 2003; Harvey, 2010; Michalis, 2012a).

Graf reported that the case for adverse market impact was not proven. However he did find that "a fundamental lack of trust in the BBC Online regime exists amongst external stakeholders" (Graf, 2004, p.9); and called for the size and scope of BBC Online to be reduced. He found that the BBC's regulatory and oversight procedures were insufficiently rigorous or transparent and recommended "a better regime to regulate services such as BBC online." The remit and the strategic objectives should be defined more clearly around public purposes and/or programme-related content, and be distinct from and complementary to commercial offerings. He proposed a quota for independent digital suppliers and the closure of some BBC sites. In response the BBC announced a 25% quota, new priorities for online around areas of public value, such as education and democracy, the closure of sites identified by Graf as not being sufficiently distinctive, and a consistent policy of linking to other sources on the web (Graf, 2004, p.8; BBC, 2004c; Collins, 2007b; Collins, 2011). The BBC had early sight of Graf's report, which influenced the thinking in its Charter renewal bid (Constable Interview, 2014).

The BBC's response to this sustained attack upon the legitimacy of its core public service purpose was to adapt. *Building Public Value* re-interprets public service as Public Value, a concept adapted from the field of public sector management, designed to make public service accountable and measurable in a similar manner to the private sector (Moore, 1995). The document proposed a Public Value Test for all new services as a measure of the value of its contribution to society as a whole. The BBC "must apply the test of Public Value to everything it does – its services, its commercial activities, its scope and scale" (BBC, 2004a, p.4). Public Value was to become the BBC's *raison d'être*: "the BBC exists to create Public Value. In other words, it aims to serve its audiences not just as consumers, but as members of a wider society, with programmes and services which, while seeking to inform, educate and entertain audiences, also serve wider public purposes" (ibid, p.7). In addition, every existing channel and service would get a service licence setting out its

terms and remit dependent upon a periodic review; and “the benefits of any existing or proposed new service should outweigh any disbenefits there may be, including potential negative market impact” (BBC, 2004a, pp.15-16).

3.13 The second digital revolution

The third challenge identified in *Building Public Value* was “a second digital revolution” characterised by changes in audience behaviour and expectations and ushered in by “advances in technology as momentous as the invention of radio and television”. As the Hever exercise had foreseen, the BBC had to address the implications of high speed broadband, mobile phones and the mobile Internet if it was to remain relevant and retain public support for the Licence Fee (BBC, 2004a, p.5; BBC, 2004b). Before this time slow connection speeds had made full-scale video online delivery problematic (Guardian, 2002; Butterworth, 2007; Shipside, 1999). Now however audiences were beginning to embrace on-demand and streaming media. Broadband was available to 90% of UK homes; take-up was at 16.2% and rising by as much as 200% per annum spreading rapidly beyond “early adopters” to what Ofcom designated the “late majority” (Ofcom, 2004, p.8). The BBC RadioPlayer on-demand service launched in 2002 had one million weekly users; and 55% of people in the UK were downloading content (BBC, 2003c). *Building Public Value* expected this second digital revolution to usher in, “easy access to a potentially limitless range of programmes, services and content on demand. Interactivity, effortless communication and sophisticated consumer content creation” (BBC 2004a, p.9). The document outlined the BBC’s plans for an ambitious raft of digital media proposals. As before, it framed these as a logical extension of its public service remit with “a vision of a BBC that maintains the ideals of its founders, but a BBC renewed to deliver those ideals in a digital world” (BBC, 2004a, p.3).

The first strand of digital renewal was a significant shift in distribution strategy towards positioning the BBC as a provider of content and services online, on mobile platforms and most importantly on-demand “with a new generation of BBC on-demand services” (BBC, 2004b, p.63). Two on-demand initiatives were announced in *Building Public Value*: the Integrated Media Player (iMP) later to become the BBC iPlayer, and a connected set-top box, which would become Project Canvas (BBC, 2004a, pp.63-67).

The Integrated Media Player was the precursor to the iPlayer. *Building Public Value* announced the iMP would offer television audiences the opportunity to download and

watch the pick of the last seven days' television programming "at their own convenience" on any device they chose (BBC 2004a, p.63). The proposal had far reaching implications. The BBC had begun to offer video online over a decade earlier with experimental live streaming of news events, and continued to offer short clips; but this was different. The video recorder (and later the Personal or Digital Video Recorder) enabled users to plan to record a programme *beforehand*. Now they would have the opportunity to choose what they would watch and when, for up to seven days *afterwards*, or in some cases until a series finished (BBC 2004b, p.65).

Project Canvas, the germ of what later became YouView, was the working title for a proposal to work with manufacturers to create a standard for "cheap broadband set-top boxes which can receive all BBC services – television, radio and online". The aim was to offer the Internet over a domestic TV for a one-off payment enabling viewers to combine the benefits of Freeview with catch-up TV (BBC, 2004b, p.64).

The second element of the vision was multiplatform. *Building Public Value* proposed multiplatform 360-degree production, to allow audiences to co-produce and co-create user generated content (Strange, 2011, p.137). It envisaged audiences as contributors engaged with the BBC in: "a true creative dialogue in which the public are not passive audiences but active, inspired participants" (BBC 2004a, p.2). In practice at the time, little distinction was drawn between multiplatform and on-demand. However the multiplatform projects tended to address their audience or users as a citizen: active, engaged, contributing and participating; whereas the on-demand vision was of the audience as a consumer: a passive spectator, a listener, or viewer exercising choice in the act of selecting what programming they want. At the time exploiting the interactive potential of digital media to offer the public the opportunity to participate was seen as a way to deliver Public Value, and an important means of justification for the proposed new services.

Flagship multiplatform proposals announced included the £150 million Digital Curriculum project from BBC Education; a plan to offer "hyperlocal news"; iCan, a social action project from BBC News designed to encourage citizenship initiatives; and the Creative Archive, which would offer access to "a treasure-house of digital content, a store of value which spans media and platforms, develops and grows over time, which the public own and can freely use in perpetuity" (BBC, 2004b, p.5). Director General Greg Dyke had announced the project a year earlier with an example of school children using the BBC archive to create multi-media homework presentations (BBC, 2003d).

The government accepted the BBC's digital vision and its proposed redefinition of public service as Public Value together with a Public Value Test for all new services in the Royal Charter that came into force on 1st January 2007 (DCMS, 2006b).

3.14 Conclusion

From an institutionalist perspective we can characterise the period before the Charter renewal as one which began with the BBC as a powerful incumbent dominating UK broadcasting in comfortable co-existence with its commercial rival ITV (and to a lesser extent Channel 4). As Britain's leading public service broadcaster it had always been subject to public accountability and had to mediate and manage the tensions inherent in its unique institutional status. From the 1980s onwards however a series of shocks reshaped the dynamics of the broadcast field and precipitated a period of contention in which the principal challenger to the BBC was no longer ITV but the increasingly powerful satellite pay-television company BSkyB.

From the late 1980s onwards the BBC had found itself having to contend with a succession of governments wedded to a market philosophy and suspicious of public service; the growth first of multichannel and then digital television competition for viewers' attention, leading to audience decline and fragmentation; and an unprecedented period of rapid change in media technology and audience expectations. Collectively these shocks had begun to undermine the arguments for public service based upon spectrum scarcity and market failure. They presented a threat to the BBC's legitimacy, its ability to fulfil its remit, to remain relevant and popular and ultimately to survive.

With a mixture of deliberate strategic planning and improvised opportunist manoeuvres, the BBC managed to adapt and not merely survive but thrive. It evolved from a vertically integrated producer and distributor to become a platform neutral content provider; it became more business-like and efficient in the way it was run, and supplemented the Licence Fee with new commercial ventures; it learned to understand the audience as consumers and to see itself as positioned within a market; it accepted changes in its mission to include government policy objectives; it built upon its track record of innovation to launch and legitimise new digital television and radio channels and online services; and lastly it secured continued universal access by partnering to create the Freeview digital terrestrial platform, an instant success with both the public and the government.

Nonetheless as the BBC began preparations for Charter renewal in 2003 it faced a crisis on several fronts: its journalism, leadership, and governance were called into question by the Hutton enquiry into its journalism about Iraq; there was increasing pressure on its budget and resources, and it was becoming subject to new forms of regulation and accountability; the unrelenting pace of change in new media and audience behaviour continued to present new challenges; and the legitimacy of public service was coming under even greater attack from the growing pressure of marketisation, with calls from competitors and regulators for the BBC to reduce or even close its online presence.

Against this background the BBC announced its bid for Charter renewal with plans to reform its governance and its News division; to renew itself for a digital world of on-demand and interactivity; and to address its issues of legitimacy by reinterpreting its traditional public service mission to measure delivery of its Public Purposes by their contribution to the UK as a whole, and to conduct a Public Value Test on all new services.

The next chapter sets out my research methodology. This is followed by my findings chapters, which focus upon how and why the BBC devised the Public Value Test and to what effect; the development of its flagship on-demand service, the iPlayer, and how this related to the Public Value Test; and finally an example of a multiplatform project, the Creative Archive, as a further illustration of the factors shaping the development of the BBC's digital media and on-demand strategy.

Chapter Four: Research Methodology

This chapter is devoted to the principal elements of the research methodology I have adopted in this study and the reasons why I believe they are suited to an investigation of my research questions. These are: how and why did the BBC develop *and* implement an on-demand strategy; what was the process; what factors affected the decision-makers; and how effective or successful have they been?

As I have indicated in chapter two, the literature suggests that while organisational strategy may be set out explicitly in a published plan, it may also emerge over time from different places within an organisation, and may only be recognisable with hindsight. This poses methodological issues, in particular: what do I mean by strategy in this instance and what is the scope of the study?

In what follows I describe how my empirical focus arose and the range of methods that I used to conduct the research. These included desk, online and archive research focused upon three case studies: the Public Value Test, a novel mechanism devised by the BBC for its own regulation; the iPlayer, the most significant and successful of the BBC's on-demand services; and the BBC Creative Archive, a proposed multiplatform service which was piloted but never launched. My principal method of seeking to understand strategy development and implementation in each case has been to supplement the existing historical record with original research in the form of semi-structured interviews with key participants, current and former senior BBC executives. The interviews were conducted between November 2013 and August 2014.

In each section I explain the process I followed and the reasons why, with a focus on the particular advantages as I see them, of the approach I have taken, together with a discussion of the issues with, and limitations of, each approach. I also touch on how my experience as a practitioner has affected the course of my research. I conclude with a section on ethical issues and a brief summary.

4.1 Research design

The research design aims to provide answers to my research questions. These evolved iteratively over time from the broad catch-all nature of the initial research proposal: "How

have UK broadcasters responded to the threat and the opportunity presented by digital media and the Internet, in terms of business strategy, business and organisational model, and production process? And what have been the implications of their responses for their relationship with audiences, innovation and creativity?” to the more focused: “how and why did the BBC develop and implement an on-demand strategy between 2002 and 2012; specifically what was the process, what factors affected the decision-makers, and how effective has it been?” The reasons for this change may spring in part from my background as a practitioner: I came to this process ignorant of both the existing literature and of academic research methodology. Initially, as I read I became aware that BBC Online, BBC News Online and BBC Multiplatform have received a good deal of academic attention, whereas there has been little research into the development of BBC on-demand, which has arguably become the more important feature of BBC digital media strategy. Thereafter I began to develop a better understanding of the practical requirements of the research process and the limits of what it is desirable and feasible to achieve within the format of a doctorate. These issues were compounded by my initial failure to understand the difficulties inherent in framing a research question, and the extent to which it requires an understanding not merely of the empirical subject matter, but the current state of the relevant academic literature and the need for an approach grounded in theory. I develop this point further in the next section on my role.

The decision to make strategy development the subject has informed the research design. It has meant that I found myself seeking to understand how people saw and interpreted the world and acted upon it. Strategy is something of a moving target, a process of continual adaptation and change; and if, as the literature suggests, it may be both a planned and an emergent phenomenon then I could not take for granted at the outset which specific actors or groups of actors were involved in the process. Strategy, the literature suggests, may originate and take shape not only within the leadership and the formal strategy and policy apparatus of an organisation but among a variety of actors who may not be known at the start of the research process. In my case I was aware of some of the key actors at the outset, but by no means all. The emphasis in the literature on the potential for strategy to be both emergent and planned is what led to a focus on my research (and question) upon *implementation* as well as *formulation* and development. It also led to the decision to enquire not only into the content of strategy and the factors that shaped it, but also into the

process whereby it was achieved, whether deliberate and rational or unplanned and emergent.

The third and final research question asks how effective the BBC strategy development has been? Although much strategy literature is normative and case study based, designed to guide management, it is nonetheless relatively silent on the topic of strategy effectiveness and evaluation. As we have seen, Mintzberg and colleagues define strategy as that which defines “the scope of the enterprise and its approach to survival and success” (Mintzberg et al, 2003, p.81). The implication is that strategy effectiveness may be measured by an institution’s survival, or success. From an institutionalist perspective institutional survival would also seem to be a key benchmark, as would the implementation of measures to ensure that. However this raises a number of issues. If an institution has to adapt and change to survive, to what extent is that effective, and to what extent is it no longer the same institution it was before? Secondly, what do we mean by success? Do we assess strategy against an institution’s stated objectives, and if so what do we do where there are inherent contradictions between some of these, such as between maximising shareholder value and behaving as a socially responsible corporate body, or between the BBC’s requirements to both inform and entertain i.e. to retain popularity while fulfilling its cultural and citizenship roles? Or should we search for latent or hidden motivation? This gives rise to a further issue: what are the objectives against which we can measure emergent strategy? Are they, like the strategic development itself only likely to be revealed over time and visible only in hindsight? Are they unknown but knowable, are the actors themselves unclear about them, or are they dissimulating?

An institutionalist approach would suggest that we measure success against an institution’s objectives as revealed by the actors within it. This may mean we begin with survival, but then possibly move down a hierarchy of sub-objectives that might contribute to survival such as achieving legitimacy in terms of the prevailing state of tensions between the institutional logics operating within the organisational or strategic action field. This is the approach that has been adopted here.

From this it also followed that the overall methodological approach should be a qualitative one. Qualitative research in contrast to quantitative is appropriate for small-scale objects of enquiry. It focuses on meaning, and not on numbers, and delivers answers to questions of why and how, rather than who or what. It is, according to Bryman (2008, p.366), inductive

and interpretative. “In qualitative research, the emphasis tends to be on individuals’ interpretations of their environments or events taking place within their environment, of their own behaviour or that of others. Qualitative research is well suited to investigating work practices and managerial styles, and carrying out organisational research” (Doyle and Frith, 2004, p.6).

As a researcher I have been trying to understand how certain actors at a particular moment made sense of the threats and opportunities which they saw confronting the BBC; how and why they decided to act upon those understandings; and how successful they have been in achieving their aims. The task is to try “to grasp how the world looks from the point of view of those being studied” (Schlesinger, 1987, p.11). This emphasises a search for an interpretative understanding of meaning rather than a scientific or positivist approach. As Geertz put it:

“Believing, with Max Weber, that man (sic) is a social animal suspended in a web of significance he himself has spun, I take culture to be those webs, and the analysis of it to be therefore not an experimental science in search of law but an interpretive one in search of meaning”. (Geertz, 1973, p.5)

While my focus has been on empathy and understanding, I have aimed to contextualise this within the dynamics of the broader social structures, in particular, the wider fields of UK broadcasting, and European public service broadcasting. This approach is described as “critical realism” (Deacon et al, 2010; Alvesson, 2011). In contrast to positivist and interpretative perspectives, critical realism like institutionalism views social structures as continually being reproduced and transformed through social interaction:

“Unlike the structures that organise the natural world, social and cultural structures have traceable historical careers. They may be surprisingly resilient, but they are not permanent. They emerge at particular times, in a particular set of circumstances, and are continually modified by social action until they are eventually transformed into something else”. (Deacon et al, 2010, p.9)

Alvesson argues that this requires a researcher like myself to exercise a reflexive approach grounded in an awareness of the socially reproduced nature not only of the social world of my subjects but of every stage of the research process itself, from the initial selectivity of

desk research, through the interview setting and the analysis of my respondents' accounts (Alvesson, 2011, p.6). As Bourdieu put it:

“The crucial difference is not between a science which effects a construction and one which does not, but between a science that does this without knowing it and one which, being aware of this, attempts to discover and master as completely as possible the nature of its inevitable acts of construction and the equally inevitable effects which they produce”. (1996, p.18)

As Deacon et al. (2010) note, critical realism also implies a multidisciplinary method, which they argue is the most appropriate approach to the study of media and communications. The critique of the qualitative approach is that it is too subjective, difficult to replicate and not amenable to generalisation (Bryman, 2008, p.391). I propose to address these points in the sections that follow. These cover each of the methods I have employed in this research: desk and archive research, case studies and semi-structured interviews.

4.2 Desk research

For the desk research I have drawn on a wide variety of sources: primary and secondary, documentary and online. I have learned a great deal from academic and industry colleagues at events including conferences, seminars and workshops. The process has been an iterative one that has continued throughout this study from the initial scoping of the research through to final crosschecking against my research interviews. Although the focus of the thesis is on the years 2002-2012, and mainly the period between 2003 and 2007, it examines changes that have been some time in the making; hence I have explored texts from the mid-1990s onwards.

Sources

Primary sources include: a wealth of documentation from the BBC, much of it available online including annual reports, policy documents, consultants' reports, press releases, speeches, blogs, internal strategy documents and reports; a similar range from the BBC Trust including reports of specific decisions and reviews; official documents; government and Parliamentary publications including Green and White Papers, Bills and Acts of Parliament, Royal Charters and records of debates.

Secondary sources have included the trade press such as *Broadcast*, *New Media Age*, *Televisual*, and online sources such as *Videonet* and *informatv*, and the media coverage of broadsheet dailies and weeklies, among them the *Guardian*, the *Financial Times* and the *Economist*. The academic literature has also been an important source of material for case studies of particular projects and developments.

The BBC Written Archives has enabled me to explore internal BBC documentation on strategy development, in particular the Hever strategy process. Hever was a BBC strategy exercise begun in 1998 involving BBC senior management and the Governors in thinking about the future in the light of changing technology, audience and competitor behaviour. Many if not most of the above are also accessible as Internet sources, in addition to which the subjects of my enquiry, whether that is the documentation on Public Value Tests, or the BBC iPlayer, or the Creative Archive Licence are also accessible on the Internet, and I have traced some previous versions through Internet archive sources such as the Wayback Machine (Internet Archive, n.d.).

My reliance on such a wide range of sources derives from the object of study. If strategy is a phenomenon which cannot simply be read off from public announcements, which may be both emergent and planned, and may be made known publicly, or as with the Hever process known only within a small group of senior executives, then it follows that as a researcher I must cast my net wide in a search for clues. Secondly the BBC is a public body subject to continual scrutiny. The Corporation produces a constant stream of public documentation and statements, and equally it is the subject of reporting, comment and criticism, any or all of which may be relevant both to help shape the enquiry and as a source against which to cross check my findings.

Documentary sources, like any other are subject to availability. A range of considerations may affect what is retained, discarded, or made available. Even archives of record such as the BBC Written Archives may limit the resources to which a researcher has access (Doyle and Frith, 2004, p.4).

Any text, whether an official publication or an online video blog, is a social construct subject to the same methodological strictures as any other research source; with potential questions of reliability, validity, provenance, bias and meaning in context and should therefore be approached with the same critical reflexivity (Deacon et al, 2010, pp.33-34;

Bryman, 2008, p. 534). Among the measures proposed to assist a critical approach are that a researcher should always cross check a document against other sources, and ask questions about the nature and status of any document. One document that is central to my research, for instance, is the BBC's Charter renewal bid document, *Building Public Value* (BBC, 2004a). From one perspective this can be read as a strategy document, as a statement of intent; however, on the basis of the context and the evidence of my interviews, we can read it as a lobbying document designed to resonate with and persuade certain audiences, rather than as a clear declaration of intent. Similarly, public commitments such as those made in the BBC's strategy announcement *Creative Future* (BBC, 2006c) to pursue 360-degree commissioning and production, may not always (and did not in this instance) translate into concrete action. Intention is not necessarily implementation, as the example of the Hever process illustrates. The outcome of two years of high-level strategy work was not shared with the very people, including it seems those in the New Media department, to whom it might have been most relevant and who were responsible for digital innovation and implementation. Of course such a discrepancy may be revealing in itself; in this case of the way strategy was, or rather was not, articulated and developed within the BBC.

There also are issues with Internet resources, links may change, be broken or disappear, and pages may be subject to continual alteration and change, even those for a publicly accountable institution such as the BBC. An Internet archive such as the Wayback machine can help, but at best it provides a sample offering fragments of Internet history.

4.3 My role: from participant to observer

As someone who comes to academic work with experience as an executive in television and digital media, and having worked both within the BBC and as an independent supplier for the Corporation, I have moved from being a participant to become an observer and analyst. This means that I bring a set of understandings to the work that cannot but have informed the way I approach research.

If "the task of the anthropologist is to experience the culture from within" (Born, 2004, p.16), then I begin with a natural advantage: I share experience, a language, production and institutional culture, knowledge of the milieu and many common points of reference with my interview subjects. I worked for a decade at the BBC, most of it at a level where,

although not directly involved in developing strategy, I contributed to strategy discussions and interacted on a daily basis with those who were. I continued to do so after I left. This enabled me to take short cuts in research, not least because it gave me direct access to several of my interview targets, approximately fifty per cent of whom I knew personally before embarking upon the research.

However this background also has drawbacks. Because of what I have in common with my subjects I may share assumptions and understandings that affect my approach to conducting interviews and interpreting their analysis in ways I fail to recognise. I may lack the distance that makes for robust academic analysis. I may also have made the mistake of believing I shared a common understanding when I did not, I may have failed to ask questions or to follow up because I thought I already understood the answer. This re-affirms the importance of my seeking at all times to achieve a form of critical reflexivity that questions assumptions and explores alternative explanations.

Another drawback of coming to research after a working life in the media is that I was unfamiliar with academic practice, language, and culture. It took me some time to become socialised into these and to accommodate to the rhythm and requirements of scholarly research. I had the benefit of supervisors from two related disciplines, media economics and media sociology. However it was only as I began to read more that I gradually became aware of the gulf between my lay understanding of some of the terms employed by my supervisors and colleagues and their technical meaning in the context of a body of theory and academic debate. A good example is the concept of legitimacy, which has become central to my thesis. In the context of institutionalism the term takes on a meaning related to but distinct from that commonly understood in everyday language.

This unfamiliarity with the academic literature and approach had further consequences. In particular it took me longer than it should have to find a focus for my research and research questions, and led to repeated iterations of both my empirical chapter and the literature review as I struggled to digest whole areas of empirical study and theory.

The experience of moving from one role to another also meant that I had to remind myself, and my respondents, when I approached them for interview, of the different position and identity I now occupied. On the one hand I shared a common culture with my informants and brought considerable experience of conducting interviews, albeit for the purposes of

broadcast journalism rather than academic research. On the other I needed to establish a new more distant kind of relationship with them and I had to learn to practice a more rigorous and reflexive form of interview. I had to adopt different criteria for weighing the evidence, and adjust to working to a different time-scale. I also had the benefit of drawing upon the insights of a particular theoretical perspective, that of institutionalism, in part brought about through encountering this approach in a paper I had to critique as part of a university workshop. However this too brought with it a requirement to contextualise my findings within that theoretical framework.

The textbook version of method is to derive a hypothesis from the current literature, often to address a perceived weakness or lacuna in either a theory or an empirical account, with a view to testing it (May, 2010, p.8; Brewerton and Millward, 2001, p.39). My approach however was rather different, resembling rather more what Baldamus (1972) describes as an iterative process of informal theorising whereby my research focus and questions changed as my understanding both of the academic literature and the demands of research developed over time. “Informal theorizing (henceforth simply called ‘theorizing’ as opposed to formal theory-construction) involves a continual restructuring of conceptual frameworks whereby a specific technique of reciprocal or *double* fitting is employed. This may be envisaged by imagining a carpenter alternately altering the shape of a door *and* the shape of the door frame to obtain a better fit” (Baldamus, 1972, p. 295). Indeed it was only through encountering the literature of new institutionalism at the same time as I began to undertake my first interviews that the focus of the thesis began to become clear. My expectation, based upon my own experience and the literature was that BBC new media strategy would prove to be driven by a range of factors, such as changing audience and technology trends. One particular factor suggested further investigation; the BBC’s desire and need to maintain universal access in response to the proliferation of potential media platforms and gatekeepers. This had been a pre-occupation of the BBC under Director-General John Birt with the advent of digital television and Internet platforms, and of his successor Greg Dyke with Freeview. However what began to emerge was that the one issue that had pre-occupied my interviewees above all was one that I had overlooked i.e. how the BBC could establish where the legitimate boundary of public service provision lay in online and digital media. In short it became clear that at a senior level the BBC during the relevant period could no longer be certain exactly what was meant by public service, and that this threatened to undermine the Corporation’s capacity to launch a programme of

new services it felt were vital to secure its future. This resonated with institutionalism's focus on the question of legitimacy as an organisational imperative. The issue of institutional legitimacy forced itself onto my agenda. As Peirce put it: "Whenever we come to know a fact, it is by its resisting us" (1931, para. 431).

4.4 Case studies

This research reports my findings in relation to three case studies of strategy development and implementation at the BBC: the invention of a new regulatory mechanism, the Public Value Test; the development of the iPlayer, the BBC's flagship on-demand service; and the Creative Archive, a proposed multiplatform service, which was piloted but then shelved. The larger case study is the BBC itself. For research purposes the BBC offers the opportunity to examine a range of issues in depth. As a public service broadcaster it has distinctive features as an institution: it seeks legitimacy by fulfilling its public service remit. As we have already seen during the period under study this remit was changing, forcing the BBC to address and adapt to the logic of marketisation. The BBC as a publicly funded organisation was seen as too hidebound and sclerotic to innovate; yet it proved itself on this occasion to have the capacity to develop market-leading innovations. Also the crisis that the BBC was experiencing, for the reasons outlined in the last chapter, was shared to a greater or lesser degree by most other European public service broadcasters. The solutions it chose to pursue have been influential in UK broadcasting and in European public service broadcasting.

The strengths of the case study approach are that it affords an opportunity to explore "a contemporary phenomenon in depth and in its real world context" (Yin, 2013, p.237). A case may be "a concrete entity (e.g. a person, organisation, community, program (sic), process, policy, practice or institution, or an occurrence such as a decision)" (Ibid).

The relevance of the case study method to my research is that it is suited to answering 'how' and 'why' questions, and to investigating the dynamics of social phenomena in depth and over time; it provides rich information and can function as an exploratory tool which enables the researcher to generate new questions and hypotheses. A case study offers a narrative context which helps make sense of the stories subjects tell about their own experience; what Geertz refers to as "thick description" (Geertz, 1973, p.6). Case

studies give a holistic take on the subject, typically involve more than one research method and could arguably be seen as a research strategy rather than a method.

For Doyle and Frith:

“The complexity of organisational phenomena can be such that a case study provides by far the best sort of data. It is also useful in conducting exploratory research, when the aim is to gain insights about, say, areas of organisational activity that are not yet well documented or understood and that can only be teased out through prolonged, detailed and multi-layered scrutiny”. (2004, p.8)

Writers tend to distinguish between different kinds of case study: test, critical, extreme or unique, typical, longitudinal, revelatory and paradigmatic (Deacon et al., 2010, p.55; Bryman, 2008, pp.55-56). However whatever its analytic force, in practice the distinction is not so easy to maintain. Any given case may display features of several of these, and how the researcher decides which is which may in the end be a matter of personal judgement (Bryman, 2008, p.56; Flyvberg, 2006, p.232). Nor is this necessarily a weakness, on the contrary Flyvberg argues “a case can be simultaneously extreme, critical, and paradigmatic. The interpretation of such a case can provide a unique wealth of information because one obtains various perspectives and conclusions on the case” (Ibid, p.233). This may be said to apply to my case studies, which simultaneously typify certain tensions and trends to which the BBC as an institution was subject at the time, and offer examples of unique developments. Also the context in which they developed, the process of Charter renewal, might be described as both a typical and a critical case in that it throws into sharp relief the tensions and pressures which the BBC as an institution must negotiate every day if it is to retain its legitimacy and survive as an organisation. Each Charter renewal process is an occasion likely to present the BBC with a crisis of legitimacy. As Rumelt suggests, such a crisis is a moment when an institution may be prompted to re-think its core strategy, and therefore an ideal period to investigate the process of strategy formation and development (Rumelt, 2003, p.86).

There are issues with the case study approach: for instance there are questions of validity; it's argued that the outcome of an examination of a single instance is too specific and precludes the possibility of generalisation. The case study raises issues of ethical responsibility because it is difficult to protect subjects' anonymity. Critics suggest that a

case study may amount to little more than re-description; that there is a bias towards verification of the researcher's hypothesis; and that while it may be useful for generating hypotheses it cannot be used for testing them (Brewerton and Millward, 2001, p.56; Bryman, 2008, p.55; Flyvberg, 2006, p.219).

However a number of writers reason that certain kinds of case study, notably test and critical case studies are widely used in natural and social science both to generate hypotheses and to test theory (Brewerton and Millward, 2001, p.56; Bryman, 2008, p.57). Flyvberg defends the case study from what he sees as typical "misunderstandings". He cites Kuhn in support of the importance of empirical case studies in natural science (Flyvberg, 2006, p.219). Science, he points out, has many occasions when a single test case has been used in a Popperian manner as a counterfactual to falsify or refute a theory, citing the example of Galileo's experiment to demonstrate the existence of gravity (Ibid, pp.225-7). Case studies have had a similar role in social science he argues, citing the *Affluent Worker* study by Goldthorpe et al. (1968) as an example of a critical or test case study. This involved a critical examination of a thesis by the selection of a test case that should have been most likely to support the thesis. If that did not then, it was reasoned, all others would also fail. The thesis was that the working class under capitalism was going through a process of embourgeoisement, and becoming more middle class in attitudes, behaviour and voting patterns. The test case was based upon a sample of highly skilled and highly paid workers, mainly in vehicle manufacture in Luton. The findings were that on a number of significant indices the workers had not become middle-class and so the researchers called the thesis into question (Goldthorpe et al., 1968).

4.5 Interviews

The principal source of my research findings came from a series of formal interviews with senior BBC executives, current and former, conducted between November 2013 and August 2014. The format was semi-structured and open-ended. I used a digital audio recorder, in most cases an iPhone. Each interview lasted approximately an hour, and the recording was in each case professionally transcribed. All but one was conducted face-to-face usually at the subject's place of work, or in one or two cases at their homes, or a public place such as a café or a museum. One interview was conducted by telephone.

There are alternative ethnographic research methods that I could have deployed. One is a survey. However as I have already explained, this method would not have been appropriate because the population is both too small to sample, and at the outset of my research period far from fully known. Moreover a survey is not designed to capture the dynamics of process, which is in part my subject here. More relevant perhaps would have been to undertake a participant observation study, a method which is an effective weapon in the armoury of qualitative researchers who share a conviction that “the core task of research is an interpretative one: to make sense of the ways other people make sense of their worlds” (Deacon et al, 2010, p.6). There are two reasons for rejecting this approach: firstly because the study is historical; and secondly as I have already indicated, in a sense my career as a practitioner was a form of participant observation. What I was in more need of was some academic distance from my subject matter.

The sample

The sample was designed to select people who had direct involvement in the formulation and implementation of the strategic developments that form the basis of my case studies. My initial contact was usually an email inviting them to participate explaining the aims and scope of my research, and the nature of the proposed interview. A copy of the email is included as Appendix 1. The sample developed by the snowball technique: initial interviewees suggested other subjects to contact, who when interviewed recommended further contacts and so on (Brewerton and Millward, 2001, p.116; Bryman, 2008, p.184). I was able to adopt this approach because, as I have indicated above, I came to the research with a good working and personal knowledge of some of those who might be my chief interview targets.

However, although I had a good idea of some of the individuals involved from both my desk research, and my own prior knowledge of the BBC, I was not confident that I had identified many of the key actors, as much of the BBC strategy process remained opaque. Under such circumstances the snowball technique offered the best prospect of identifying and gaining access to them. Only four interviews actually took place on BBC premises, and at no point did I seek or was I asked to make a formal request to the BBC for access. Only two people failed to respond to my request for interview; I have no means of knowing why or if this in any way skewed my results.

The snowball method is one example of what Deacon and Pickering term ‘theoretic sampling’. The respondents are not representative but selected as those “most likely to aid theoretical development...to extend or even confound emerging hypotheses” (2010, p. 54). One feature of this approach is that there is no predefined natural limit to the sample. “This search continues until nothing new emerges from the sampling, and respondents only start to reiterate issues that have already emerged (‘the saturation point’)” (Ibid). My judgement was that I had reached this saturation point after some twenty-five interviews.

There are a number of issues with this approach: it is not representative of any wider population, nor could it be, as only a relatively small network of people was involved in strategy formulation and implementation at the BBC at the time; it selects a particular group of people who are likely to share a perspective and so may bias results (Brewerton and Millward, 2001, pp.114-122). The results may be skewed because the researcher may have ignored alternative accounts from those who were not included or failed to respond. My approach to mitigation was two-fold. Firstly, the interviews were crosschecked against the other source materials that emerged from the desk research. Secondly for each case study I aimed to follow the narrative from its origins to outcome. This technique threw up a number of individuals who played a significant role in developing and implementing strategy that were working outside the formal BBC leadership and strategy apparatus at the time.

The semi-structured interview

The interviews were semi-structured. Rather than use a formal interview schedule, I had a set of topics that corresponded to the elements of my research question: the strategy process, the factors that shaped the BBC’s thinking and the effectiveness of strategy. These were adapted depending upon the role, experience and involvement of the interview subject in the particular case study. The interview schedule is Appendix 2 and the list of interviewees Appendix 3.

This approach is ideally suited to exploratory enquiry and not dissimilar to that I had employed over many years as a factual television programme maker but rather more open-ended. It is ideal for my task i.e. trying to make sense of how my subjects made sense of the situation they found themselves in. It yields rich information and depth. As the interviewer leaves the subject free to develop a line of thought in whatever direction they choose, ambiguities can be clarified and unexpected answers can be followed up (Deacon

et al, 2010, p.393). In my case, as it became clear from the earliest interviews that I had not allowed for the significance of the issue of the demarcation line between public service and the market, and the requirement for the BBC to be able to legitimate its new services, I was able to adapt my questioning accordingly. Deacon et al. (2010, p.294) suggest this method is useful for eliciting information from what they call “social insiders” such as my interviewees, in particular, because the focus is on “informants providing talk about the research topic in their own terms, their own vocabulary and frame of reference”.

However there are issues with interviewing. An interview, as Bourdieu reminds us is “in all cases, a *social relationship*” and moreover a somewhat artificial one, a “slightly arbitrary *intrusion*” (1996, p.18) albeit one which may actually be welcomed by the informant. There may be asymmetries of expectation or understanding of the situation, or of status or power between the interviewer and interviewee (Bryman, 2007, p.5; Deacon et al., 2010, p.306). We need to be aware of such features and how they can affect the outcome. “Interview talk may say more about role-playing and adapting to social standards in the name of impression management –including how to appear authentic –than about how people really feel or what social reality is really like” (Alvesson, 2011, p.3).

This has several consequences, not least the possibility of interviewer bias, whether in terms of potentially leading the interviewee, or as is possible in my case, the danger of failing to question assumptions I may share with my informants: “As a general rule, the more non-standardised and informal the interviewing procedures, the greater the intervening presence of the interviewer” (Deacon et al., 2010, p.73). Then there are issues with the reliability of the interview subject, how does their understanding of the interview situation match or differ from my own? What is their agenda; is their narrative to be taken at face value; is it selective or self-serving; is their memory trustworthy? (Brewerton, 2001, p.73; Bryman, 2008, p.465).

A variety of strategies are proposed to address these issues, at their heart is the exercise of a critical reflexivity. Alvesson suggests we should always aim to be alert to the dynamics of the situation. Bourdieu advocates, “*active and methodical listening*” by “striving to make reflexive use of the findings of social science in order to control the effects of the survey itself and to engage in the process of questioning with a command of the inevitable effects of that process” (1996, p.18). It has been during the analysis and writing up of my research findings that these considerations came to the fore.

Analysis

The organising principle for my analysis was to use the categories that I had already developed to construct the interviews as a preliminary set of search criteria. The interviews themselves threw up new issues and categories, notably the difficulty of negotiating the public/private boundary, which then provided further organising themes to address my research question and its sub-sections in an iterative process for each case study. The findings, in turn, led me to revisit the preceding chapters in the manner that Baldamus describes as ‘double fitting’ (1972, p.295).

There are a number of issues to be addressed in relation to the interpretation of the findings. Firstly there are those that arise from the social features of the interview situation itself. They spring principally from the understanding that “Researchers nowadays are rarely regarded as neutral observers who are independent of the worlds they investigate; instead, they are profoundly implicated in those worlds and in the ensuing findings” (Bryman, 2007, p.18). Therefore as a researcher I had to endeavour to be aware of the understandings that the informants may have brought to the interview, how they regarded me, and how that may have coloured their response. Critical awareness had to begin with reflection upon the selection and categorisation of the data, and continue throughout the subsequent process of writing up the findings (Deacon et al., 2010, p.323).

A further point to note is that this sample represents a relatively senior or elite group of people within the BBC. As Deacon and colleagues note, interview-based research or oral history has been relatively little used in academic research on elite groups (Deacon et al., p.296). However this is the reverse of the case in journalism, where members of elite groups can tend to become ‘primary definers’ i.e. the news sources most commonly quoted and seen as authoritative (Phillips, 2014, p.11). Therefore although my task was to try to understand how the world looked from my interviewees’ perspective I also had to maintain a critical distance. While I found it relatively easy to establish a rapport with my interviewees this also meant I had to be aware of the risk of being captured by my subjects i.e. of simply reproducing without reflection the dominant narrative they shared.

The researcher needs to maintain a critical awareness of all the potential pitfalls (Deacon et al., 2010, p.305). When it comes to the process of analysing the results of research Alvesson argues for a “reflexive pragmatism”: “the researcher is part of the social world that is studied and this calls for exploration and self-examination” (2011, p.106). This

involves a number of strategies. The researcher should be alert to alternative interpretations, and types of discourse, “to move between different lines of interpretation, varying and confronting an earlier used vocabulary with a line of interpretation that offers a different angle with a different vocabulary” (Alvesson, 2011, p.106). The researcher should be as open and transparent as possible about the methods employed, their own assumptions and the status of the results. Informants’ accounts should also be checked against other primary and secondary sources (Deacon et al., 2010, p.305). It is also important to be aware of any possible agenda that respondents may bring to their interview, particularly as in my case where several of them are senior figures familiar with the possible nuances of interpretation their public statements may be subject to. For instance, the internal evidence of my interviews suggests that particular terms, such as “public value”, are interpreted differently in different contexts, sometimes by the same speaker; and the concept of legitimization and the language and examples used differ depending upon the audience being addressed. I have therefore needed to check the accounts given against the public record, and some of the BBC’s own internal documentary sources and against each other.

This approach also implies that the researcher should be aware of the risks of confirmation bias and open to being surprised by their findings, and respond flexibly in their interpretation where the results do not conform to expectations. Again as indicated above, from my reading of the literature, desk research, and my own experience I expected a selection of factors to have shaped BBC strategy development in relation to new media services. These included changing audience expectations and media behaviour, developments in technology, competitor behaviour and regulatory and political factors. In addition I anticipated that the BBC would be concerned with the issue of maintaining universal access and ensuring that no gatekeepers stood between it and its audience. These bear a resemblance to the factors likely to be identified by a SWOT analysis (strengths, weaknesses, opportunities and threats) (Mintzberg, 2003, pp.102-1030, or the five forces identified by Michael Porter as determining strategy i.e. new entrants, supplier and buyer (audience) power, threat of substitution and competition.

However as I have already discussed, what emerged from the first few interviews was that for my respondents the key issue was the justification of new services which in turn focused on the question of where and how to draw a demarcation between what was legitimately a public service and what should be left to the market to provide. This was not

what I had expected. It did however make sense in the context of my encounter with the literature of new institutionalism where the issue of institutional legitimacy also plays a significant role. This led to a refocusing of my research direction.

4.6 Ethical considerations

In accordance with the University of Glasgow ethical policy my research proposal, invitation letter, draft research questions, and interviewee consent form were submitted to and approved by the University's Ethics Committee. The latter three are available as Appendices 1-3. Each interview subject was to the best of my ability given a clear understanding as to the nature and scope of my research project, the likely parameters of the interview and finished work, and afforded an opportunity to check their contribution before submission of the thesis.

However as a researcher my ethical responsibilities did not stop there. Deacon and colleagues (2010, p.363) suggest they extend to four groups of people: my research subjects, the data itself, the reader, and the research community. The issues are similar to those I encountered as a television journalist, as addressed by, for instance, the BBC's Editorial Guidelines (BBC, n.d.c). The provision of clear guidance beforehand, and the opportunity to check their contribution before publication were the chief means of offering my interviewees informed consent. The responsibility to all four groups was addressed in part through being clear throughout about sourcing and attribution, and transparent as to my methods and the status of my findings, in particular by being careful to distinguish my original contribution from previous work - with the methodological caveats already made above. In addition I am aware of the responsibility to other researchers and my subjects to be as faithful as I can to the main thrust of the accounts which I have recorded, and to make it possible for future researchers to follow up and work with the BBC and similar large media organisations in future (Deacon et al. 2010, p.376). As I have indicated, a particular concern of mine has been transparency over my process with a view to enabling any other media practitioner who may come across this to understand the issues they may confront.

4.7 Conclusion

In this chapter I have explained how and why I adopted the particular research methodology that I did in order to address my research questions and in the analysis of my findings, and why this is appropriate both for my subject matter and the theoretical approach I am drawing upon.

Because my research subject is strategy, i.e. the way in which an institution, in this case the BBC, interprets and acts upon the threats and opportunities that it perceives in its environment, the approach I have adopted is a qualitative one. The research questions and overall design aim to capture a phenomenon that may be planned and rational or emergent and unplanned. The focus has been on three case studies each of which exemplifies critical features of the phenomenon under study. The case study approach has been used because it yields rich multi-layered data, and again because it allows me to explore the subjects' perspective on the processes being studied. My research tools have been desk and documentary archive research, Internet research, and semi-structured interviews with key individual actors in order to try to understand how my subjects made sense of the situation they found themselves in, and why they acted as they did. The semi-structured interview by virtue of being both non-directive and open-ended was well suited to this subject. The interviewee sample was selected using the snowball technique because although I knew some of my key interview targets personally as a result of my previous career within broadcasting, I did not know the larger group of which they formed a part. Indeed because of the emergent nature of the processes I was seeking to analyse I could not know at the outset what the total potential interviewee population might be. Also because I was making the transition from industry and institutional participant to academic observer and analyst I needed to be particularly aware of the social features of the process of research, interview and analysis and to maintain a critical reflexivity throughout. In particular I have had to aim to remain aware of shared assumptions and biases, and also of how I may have been affecting outcomes at every stage.

This is an exploratory study designed to produce hypotheses and to raise issues. In terms of ethical considerations I have tried to make my methodology and analysis open and transparent so that although it may not be necessarily possible to directly replicate the work it should nonetheless be possible to compare it with the public record and other academic analyses. I have examined the methodological issues raised and put forward how I have

addressed these so that the reader may form a judgement on the status of the results. I have also endeavoured to show how my thinking developed as a practitioner becoming socialised into an academic identity. In the end my findings represent my interpretation of what I was told by certain individual informants under the circumstances I have outlined, at a particular moment in time.

Chapter Five: Public Value and the Public Value Test

This chapter reports the research findings on my first case study of BBC strategy development, the BBC's adoption of Public Value and its invention of the Public Value Test (PVT) during the Charter renewal process in 2003-2004. It may seem odd to begin the findings chapters in a thesis devoted to the study of the development of BBC on-demand strategy with an examination of Public Value and the Test, especially as these are subjects that have already attracted a great deal of scholarly attention. However as I discussed in chapter three, in the period immediately preceding the Charter review in 2003 the BBC found itself at an impasse. The process for getting agreement to launch new services in particular in new online and digital media had become increasingly difficult, politicised and uncertain of outcome. Increasing pressure from commercial competitors, in part channelled through European regulatory institutions, was threatening the BBC's position. What could be argued as legitimate public service online and what the market should provide was becoming increasingly unclear. If the BBC was to be able to realise any of its ambitions for new services such as on-demand it had to resolve this question.

The adoption of Public Value and the invention of the Public Value Test, a novel regulatory mechanism for the measurement of Public Value, was the BBC's attempt to solve this dilemma. The process of development of the Public Value Test happened more or less in parallel with that of the iPlayer and on-demand services. The fate of on-demand and indeed all new BBC services depended on the success of the Public Value Test. Together these two developments made it possible for the BBC to implement its on-demand strategy. In order to understand how the BBC developed an on demand strategy, both the process and the factors involved, it helps greatly to first examine how and why the BBC came to adopt Public Value and to develop the Public Value Test.

Moreover, although there has been much discussion of these developments, this is the only research of which I am aware that is based upon interviews with some of those directly involved in devising and conducting the first Public Value Test on the iPlayer and on-demand services.

For the purposes of this chapter therefore I have adapted my research questions to focus on how and why the BBC adopted the concept of Public Value and devised a Public Value Test; what the process was, what factors affected the decision-makers, and how effective this strategy has been.

In chapter three I outlined the several challenges the BBC saw itself facing in its Charter renewal negotiations: to its editorial credibility and its governance due to a conflict with the government over its reporting of the Iraq war; to its relevance to viewers and listeners because of rapidly changing media technologies; and to the legitimacy and meaning of its public service remit because of the growing pressure of marketisation.

The BBC's proposals to address these challenges were contained in its Charter Renewal bid document *Building Public Value*. This chapter explores how and why the BBC chose to address the legitimacy of public service by re-interpreting its mission to make the concept of Public Value the measure of public service and why it proposed a Public Value Test to do so (BBC, 2004a, p.8). It asks why the Corporation felt that such a strategic change in the way it argued the case for public service broadcasting would help it win a new Charter and make it possible to launch its proposed programme of new services. As will become clear, the Public Value Test also proved to have implications for the BBC's governance. These are discussed below. The other aspect of governance was taken out of the BBC's hands when the Labour government decided to replace the BBC Governors with a new regulatory body, the BBC Trust. The question of how the BBC planned to regain its connection with audiences through the development of new digital media services is the subject of the next two findings chapters.

The chapter is structured as follows: first I set out the reasons for selecting this case study; then I trace the BBC's strategy development and implementation process, followed by the factors that affected the decision-makers, and both the challenges the BBC faced and the reasons why Public Value and the Test seemed to provide a solution. I focus on the issue of legitimacy, i.e. how and where to draw the line between public service and commercial enterprise in an online world. Then I investigate how the BBC and the Trust interpreted and implemented the Test, and conclude with the question of how effective these developments have proved for the BBC. This and the next two findings chapters draw on interviews with current and former BBC executives backed by desk research and my own professional experience.

5.1 Why study the Public Value Test?

The primary reason therefore for making the BBC's adoption of Public Value and the Test the first case study is that in 2003 the BBC found it could no longer launch new services such as the iPlayer that it felt were vital for remaining relevant to audiences, without first addressing its core mission as a public service broadcaster. Understanding the thinking that led to the BBC's development of the Public Value Test is critical to any investigation of how the Corporation became an on-demand provider. The view that prevailed at the BBC at the time was: no Public Value Test or equivalent, no iPlayer or indeed any other new online service.

However the crisis experienced by the BBC was not unique to the corporation. Across Europe other public service broadcasters were grappling with the same dilemma. How the BBC addressed and resolved the need to re-legitimate public service broadcasting, and how it managed the transition from public service broadcaster to public service media provider had a resonance and an influence beyond the UK. The findings illustrate how far the BBC was prepared to go in re-thinking its remit, and how flexible, pragmatic and proactive it was prepared to be in rewriting the ground rules of its own regulation when its felt its institutional survival was at stake.

There is an extensive literature on the subject of Public Value and the BBC including, for instance, Collins (2006; 2011), Alford and O'Flynn (2009), Lowe (2010), Lee, Oakley and Naylor (2011), Humphreys (2011), Iosifidis (2012) and Michalis (2012), and an account of the rationale and pedigree of Public Value from two leading figures at the BBC Trust (Coyle and Woolard, 2010). With the exception of this last, few are first-hand accounts; most are based upon close reading of public statements and policy documents, regulations and statute. This thesis is the first study that I am aware of that has spoken to those directly responsible for the adoption of Public Value and the development of the Test, with the aim of understanding the process from their perspective. My findings enable me to explore some of the issues raised in the literature and test them empirically. It is based upon semi-structured interviews with current and former senior BBC executives from the BBC's Strategy, New Media, Education and Policy departments and the Corporation's Executive Committee.

Some analyses, for instance those of Alford and O'Flynn (2009) and Collins (2006), have questioned the BBC's interpretation and adaptation of the proposition originally developed in the work of Moore (1995). That is not my purpose here. My concern rather is to try to understand how and why the BBC interpreted and implemented the concept in a particular way and how effective this was in terms of the BBC's institutional objectives at the time, and subsequently.

Others, in particular Lee, Oakley and Naylor (2011) and Elstein (2004), are concerned to portray the BBC's adoption of Public Value as opportunist, largely rhetorical and not marking significant institutional behaviour change. My research does suggest that while the BBC had a large strategy and policy apparatus, and was wedded to a deliberate process of research and planning, the adoption of Public Value also had elements of opportunism and improvisation about it. That appears to be how strategy was developed at the BBC during this period. However the findings also demonstrate that the implementation of the Public Value Test did mark a real departure, which has had long-term effects upon the Corporation that are explored below.

Moreover by examining the research findings within an institutionalist perspective we can begin to understand better how and why this was so. Institutionalism employs the concepts of organisational field, institutional logics, institutionalisation and legitimacy as a heuristic framework. In the case of the BBC's organisational field including "all relevant" actors means taking into account the government, its audiences, competitors, regulators, independent suppliers and the workforce. Institutionalism suggests a focus upon the dynamic tension between the two relevant institutional logics, that of public service broadcasting and that of marketisation, and their relationship to the BBC's internal processes, values and understandings. It helps illuminate how these tensions came to a head in the routinised crisis of Charter renewal, and why as I discussed in the previous chapter, this period is a useful focus for exploring how the BBC develops strategy, because it both heightens and highlights the pressures on the BBC and on how it responds.

One writer who does draw upon an institutional approach to understand the BBC's development, of both the Public Value Test and new media services, is Brevini (2013). My analysis builds upon and adds empirical support to her account of how the development of European policy and legislation in relation to public service online have been shaped by the tension between public service and marketisation.

5.2 Public Value: the process of adoption

As noted above the BBC's Charter renewal is an occasion when the BBC is subject to even more public scrutiny than usual and must argue the case for its continued survival. In *Building Public Value* it announced plans to refashion the concept of public service to give Public Value a central place as the measure of what the BBC delivers.

“The BBC exists to create Public Value. In other words, it aims to serve its audiences not just as consumers, but as members of a wider society, with programmes and services which, while seeking to inform, educate and entertain audiences, also serve wider public purposes. Public Value is a measure of the BBC's contribution to the quality of life in the UK.” (BBC, 2004a, p.7)

The first part of my research question concerns the process by which the BBC came to place such an emphasis on the concept of Public Value and in doing so it demonstrates the adhoc manner by which of the BBC both adopted and adapted the concept of Public Value, and went on to invent a new regulatory mechanism, the Public Value Test.

The BBC began preparing for Charter renewal in late 2002 and led from the top. Director-General Greg Dyke delegated the task to his Directors of Strategy, Carolyn Fairbairn and of Public Policy, Caroline Thomson (Dyke Interview, 2014). In early 2003 they recruited two senior executives to lead the bid: Roly Keating, Controller of BBC4, and Charles Constable, then in charge of the Director-General's office (BBC, 2003b). Both were senior figures within the BBC. Keating derived his authority and understanding from a career as a programme maker and channel controller, while Constable, in common with almost all those involved apart from Keating, came from a strategy and consulting background. The team was small but could draw upon the resources of the wider Strategy department and, although reporting directly to the Director-General and the BBC Executive, had a degree of autonomy, with the freedom and authority to seek advice and information and to make proposals. It consulted widely with stakeholders both within and outside the BBC, according to Constable:

“We tried to identify the fifty people who might be running the BBC in fifteen years' time, and we took them up to Liverpool for two days and talked about the future and what was happening, and what the BBC should do with it now, so it was

fascinating stuff... We had dinners where we got movers and shakers in to talk about the role of the BBC, about ten of them. We engaged with various communities, the independent production community, for example, about the ideas in *Building Public Value* so we shared some of our thinking with them and asked them for their input and reaction. Some of the stuff we took on board, some of the stuff we ignored. We did a little bit of engagement with the politicians.”

(Constable Interview, 2014)

The bid process followed the leadership-led pattern advocated by adherents of the rationalist school of strategy development, such as Porter (1996) and Andrews (1980), and adopted by John Birt, Dyke’s predecessor who had established BBC Policy and Planning on his arrival in 1988. However the formation and conduct of the bid team also closely resembled the semi-autonomous adhocratic model identified by Mintzberg (2003) as characteristic of innovative and creative organisations and typically to be found in sectors such as the media. The main outcomes, the development of Public Value and the Test, were not necessarily planned but emerged during the process.

The task the bid team was set was to revisit the fundamental rationale for public service broadcasting in order to re-think it and to create an argument for the continued existence of the BBC. The key output was *Building Public Value*, not a statement of strategy as such, but a lobbying document designed to present the case for preserving the BBC.

“The brief, as I remember, was to begin to build the narrative which would be the case for the continued funding of the BBC under a charter, and a specific steer from Caroline Thomson to better articulate the purposes of the BBC, because at that stage the language of Public Purposes wasn’t especially strong beyond ‘inform, educate and entertain’, and Caroline had a very clear hunch I think that whatever framework emerged from the next charter we would need to be able to articulate our purposes and be held to account for them more clearly.” (Keating Interview, 2014)

“The very phrase ‘Public Purposes’ may not have even been the phrase we used at that stage. We were certainly starting from basics and, sort of, what is the BBC here for.” (Thomson Interview, 2014)

This narrative or explanation for why the BBC should continue to exist had to re-address the meaning of public service broadcasting and enable the BBC to re-assert its legitimacy in the eyes of both the public and the politicians. The route the bid team chose was to adopt the concept of Public Value from the field of public management. During preparatory research the team's Project Manager Danielle Nagler discovered a Cabinet Office seminar paper advocating the adoption of Public Value for public services (Nagler Interview, 2014). This paper was co-authored by the Director of the government's Strategy Unit Geoff Mulgan (Kelly, Mulgan and Muers, 2002). The BBC team proposed five types of Public Value: democratic (to be delivered through impartial news and information); cultural and creative; educational; social and community, and global (BBC 2004a, p.8). The bid team first presented the concept to the Executive in Spring 2003, where it met with a positive reception according to one person present, Caroline Thomson:

"It sounds ridiculous now, but I can remember this sort of eureka moment when the words 'Public Value' appeared on these slides that they had done, this presentation that they had done and we all just thought, 'This is it.' I think the combination of public and value...we just felt worked." (Thomson Interview, 2014)

The BBC soon began to adopt the language of Public Value in its public pronouncements. Director-General Dyke introduced it in a speech announcing a new project at the annual Edinburgh Television Festival in August 2003. The Creative Archive he said "is just one example of the kind of public value which I believe will come with the second phase of the digital revolution, but there will be many others" (BBC, 2003e).

5.3 The development of the Public Value Test

The concept of Public Value was not in itself novel, but the next step, devising a Test to measure Public Value, was something that had not been attempted before. Roly Keating attributes this initiative to the Director of Strategy, Carolyn Fairbairn.

"I have a memory of it being floated in some form quite early on, not least because we talked about how you quantify and how you measure it, but the codifying it into the system it's become I think came a bit later...I remember, we sat in a small room with a whiteboard ... as the penny began to drop how potent the idea could be, and we realised it was a very useful tool for articulating the BBC's intervention in

markets. And really in one afternoon we began to articulate the theory that's led to what's now called Public Value Tests." (Keating Interview, 2014)

The bid process was interrupted by the Hutton crisis, which pre-occupied the BBC throughout the latter part of 2003 and added the issue of governance to the BBC's Charter renewal agenda. However despite a change of leadership and the arrival of new Director-General Mark Thompson in May 2004, Public Value and the Test remained central to the bid. The government accepted the bulk of the BBC's proposals in a Green Paper in March 2005 (DCMS, 2005), and confirmed this in the White Paper *A BBC For All* announcing the award of a new Charter a year later (DCMS, 2006a; Thomson Interview, 2014). As part of the new Charter the BBC's governance was changed, with the Governors being replaced by the more independent BBC Trust, and charged with the strategic direction and oversight of the Corporation.

Despite the friction over Hutton, throughout the Charter renewal process the BBC liaised closely with its regulators, first the Governors then the Trust and Ofcom, and the relevant government department, the DCMS. Joint seminars on the Charter plans were held with DCMS at the height of the crisis (DCMS, 2006a, p.70). This close collaboration may have been facilitated by common background, career path and culture. As Schlesinger (2009) notes, there was a tendency at the time for senior executives to progress between consultancy or think tanks, the BBC, regulatory bodies, other broadcasters and the government. My research supports this. Several senior executives at the BBC during this period later occupied positions in other public and broadcast industry bodies. Of my twenty-five interviews, three took place on BBC premises, four at the industry regulator Ofcom, including the Director of Ofcom; respondents also included the current Director of the British Library, the Director of Kew Gardens, the Chairman of the Football Association and the British Film Institute, a non-Executive director of Lloyds Bank, directors of both Freeview and YouView, and the chair of Digital UK, the body responsible for Freeview. At least one of my interviewees spent time as a senior advisor to the New Labour government.

The Public Value Test, although devised and developed by the BBC, would subsequently be conducted by the new Trust. It had two parts: a BBC Trust assessment of a proposal's "public value", and a Market Impact Assessment, which became the responsibility of Ofcom (BBC, 2004a, pp.15-16). Some commentators such as Lee, Oakley and Naylor

(2011) have suggested that the BBC's adoption of Public Value was largely cosmetic and rhetorical but the Test procedure introduced a formal test of the BBC's potential distortion of the commercial market and so institutionalised the logic of marketisation within the very definition of public service for the first time.

How the Test would work and the criteria for measuring Public Value were developed separately from the bid proposal by a member of the Strategy department, James Thickett, working with Simon Terrington from consultancy Human Capital. They drew on metrics then coming into use to gauge performance in BBC television: "reach, quality, impact, and value for money" (Thickett Interview, 2014). *Building Public Value* pledged the BBC to measure any proposed new service against these indices and the BBC's Public Purposes (BBC 2004a, p.16). However as they were concerned to go beyond consumer considerations to devise new measures of the BBC's broader contribution to society, Thickett and Terrington also took soundings from a range of interested parties:

"We did all this work, we did a bunch of seminars with academics and opinion forums, and I think it really cut through, I mean, I think it really sort of made an impact." (Terrington Interview, 2014)

In the Charter the scope of the Test and its measurement framework were extended to include the BBC's involvement in partnerships and some commercial ventures. The outcome of a Public Value Test would be the issuing of a new Service Licence. The aim was that in due course such licences would apply to all BBC services, which would become subject to periodic performance review by the Trust. They were to be the: "most important means by which the Trust will hold the Executive to account for delivery of individual services" (DCMS, 2006b, p.29). According to Caroline Thomson (Interview, 2014), the concept of a Service Licence was not developed by the BBC itself, but introduced by Peter Ibbotson, an adviser to Michael Grade, then the Chairman of the BBC Governors (BBC, 2006g).

The Trust then had to develop the actual Test procedure. The Governance and Accountability Unit, acting as the Trust transition team, conducted the first Test on the BBC's on-demand service proposals including the iPlayer in late 2006 and reported in April 2007 (BBC Trust, 2007a; Wakefield Interview, 2013). However the Trust invited the BBC to choose what forms of evidence it would provide. Thus it was that a BBC team

working with external consultants, rather than the Trust, interpreted the key indices, developed the more detailed Test criteria and gathered the evidence. The government had imposed the Trust upon the BBC in order to create a regulatory body with greater independence of the BBC. Nonetheless a key part of the Trust's role and the ground rules for its oversight were devised by the BBC itself, in what could be seen as an example of regulatory capture.

“You ended up then with a new charter that encoded public value, a purpose based accountability for the BBC, and Public Value Tests to determine new services aligned to a new body called The BBC Trust. So the Trust, as it were, came into being for other reasons, but it incorporated the ideas that had been growing with the Charter renewal process.” (Keating Interview, 2014)

5.4 Factors in the adoption of Public Value and the Test

The second of my questions concerns the factors shaping BBC strategy: why did the BBC adopt the concept of Public Value and devise and propose a new regulatory mechanism in the form of the Public Value Test? What were the factors that affected this process?

As discussed in previous chapters the crisis in governance of the BBC, precipitated by the Hutton report, only served to exacerbate a deeper and more long-term concern about the role of public service. There was a public debate about the purpose and role of the BBC and public service broadcasting as a whole. From mid-2003 the DCMS ordered four separate reviews of its output and services. There was talk of top-slicing its revenue, or even the abolition of the licence fee. The sense was that the rationale for the BBC was in question. Head of Strategy, Carolyn Fairbairn recalls:

“The challenges to the BBC were really quite profound at that point. Why do we need it in a world where actually a lot of the market failure argument is disappearing?” (Interview, 2014)

According to Danielle Nagler, although at the time the BBC was enjoying a run of ratings successes against its rivals, Sky and ITV, it had made projections that, if correct, suggested that its audiences, already declining under the impact of multichannel competition, were

likely to shrink even more, further weakening the argument for public funding. The rationale for the BBC, it was felt therefore, had to be about what made public service broadcasting distinctive, rather than about audience size and popularity.

“There was that feeling of, if we – we need to reclaim what public service broadcasting means, and re-emphasise the fact that actually it’s about a public good – something that it, that knits together society and is good for society as a whole, and I suppose to get away slightly from that sense of, how many people are watching each programme. There was no sense at that point, or no certainty at that point, that online, in the BBC’s move into online, could actually compensate for falling television viewing – as a whole...It was time to, if you like, wrench back the meaning of public service broadcasting, and to try to emphasise what the outcomes were from public service broadcasting, [in] ways that were different, and could not be replicated by someone like Sky.” (Nagler Interview, 2014)

One basis for public service is that it meets needs that the market fails to address. In a widely-noted speech on *The BBC and Public Value* to the Social Market Foundation think-tank in June 2004 former Chair of the BBC Governors Gavyn Davies argued that: “It is incontrovertible that a necessary condition for the BBC to exist is that there is a market failure in the private broadcasting market in Britain” (Davies, 2004).

However the bid team feared that if the BBC relied upon a market failure argument alone, it risked becoming an irrelevance, according to co-leader, Roly Keating:

“We were asking ourselves about how we establish a position for the BBC in the public debate that escapes what was then the prevailing economic language around broadcasting, which was almost entirely around market failure and was a strongly prevailing culture, and if pursued to its logical conclusion we feared would lead to a version of the BBC that was pushed to the margins of broadcasting culture.” (Keating Interview, 2014)

Charles Constable his co-leader agrees that the new world of channel abundance on digital platforms and online posed an old dilemma about the BBC’s public service status in a new guise:

“If you are populist and you grow audience, or gain share, then the commercial market screams that you’re not, you know, dealing with market failure, you’re doing everything that they can do. And if you go niche and you deal with requirements the market won’t deliver, you are no longer relevant and therefore you don’t deserve to be funded by everybody, and so you can’t win whichever way you go. So I think what we were trying to do was work out how you deal with that dichotomy in a world where people have more and more choice.” (Constable Interview, 2014)

5.5 The concept of Public Value

In its adoption of Public Value as the key issue, the bid team had appropriated a concept from the field of public sector management. In an influential work: *Creating Public Value* Mark Moore (1995) proposed the concept to address what he saw as the deficiencies of the then fashionable “New Public Management” approach which saw the role of public bodies as analogous to businesses delivering services to customers to be evaluated in terms of their efficiency. He argued instead that public sector organisations should be measured by the ‘Public Value’ they delivered (Alford and Flynn, 2008, p.4; Moore, 1995, p.71). He hoped to reinvigorate public sector organisations by making them more responsive and accountable to their users, whilst also empowering public service managers by establishing meaningful and realistic measures of their effectiveness, which he felt should match “the criteria of success used in the private sector” (Moore, 1995, p.10; Lee, 2011; Alford and Flynn, 2008; Collins, 2007; Blaug, Horner, and Lekhi, 2006). Such criteria, he believed, would involve “reshaping public sector enterprises in ways that increase their value to the public in both the short and the long run” (Moore, 1995, p.10).

The idea was taken up by the New Labour government keen to foster innovation in public sector management and by Labour-leaning think tanks including Demos, I.P.P.R. and the Work Foundation. The Head of Policy in the Prime Minister’s Office, Geoff Mulgan, met Moore in 2001 and co-authored a paper for a Cabinet Office seminar in 2002 (Crabtree, 2004). It concluded: “Looking at the totality of the impact of government [public value] could help to improve policy decisions – and improve the relationship between government and citizens” (Kelly, Mulgan and Muers, 2002).

The BBC was happy to take the hint. “It came to us, I think, via a piece of work from possibly some thinking around health policy that Number 10 strategy unit were doing at the time (Keating Interview, 2014).”

“The Cabinet Office had made clear that ... it thought that Public Value was an important way of thinking about public institutions, and how they demonstrate value – and the BBC, of course, you know, is very good at sniffing the air and telling which ways the things are going.” (Wakefield Interview, 2013)

Public Value seemed to the BBC to offer a way of affirming the value the corporation contributed to the UK above and beyond what it meant to each individual viewer or listener. The BBC had been searching for such a concept. However the manner of its adoption was rather ad hoc according to Fairbairn:

“The BBC was ... actually a terribly important part, a contributor to British society overall and not just informing and educating and entertaining an individual... We were looking for something like this and so we knew it when we saw it... We were authors in search of a concept that fitted what we knew we were trying to do and we tried it out a bit around the BBC, it resonated. Greg (Dyke, Director-General) liked it; it worked.” (Fairbairn Interview, 2014)

Collins (2006, p.7) quotes David Levy, Controller of Public Policy at the BBC, as saying that the Cabinet paper had far more influence upon BBC thinking than Moore’s original formulation. However Collins also notes that two elements of Public Value, which were key for the Cabinet Office team - greater downward accountability or co-production, meaning the involvement of users, and contestation or competition - did not play a major role in the BBC’s interpretation (2006, p.3). Collins goes on to justify the BBC’s interpretation because what he terms “push” broadcasting offers few opportunities for contact or dialogue between provider and user (Collins, 2006, p.53). However this rationale overlooks the role of audience feedback through a variety of channels and the interactive potential of digital media, which the BBC made a central feature of its Charter renewal proposals, particularly in its interpretation of “citizen value”; a point I develop below.

Lee, Oakley and Naylor (2011) also suggest that the BBC misunderstood Public Value. They typify the BBC's adoption of a concept so closely identified with New Labour thinking as "primarily opportunistic". I am more concerned with how and why the BBC used the idea. My respondents suggest that it appealed to the BBC precisely because it is a polysemic concept capable of a variety of interpretations or meanings.

"We in a sense took the spirit of the term and built on it and took a view that that is a useful encompassing phrase to describe the kind of value that the BBC is bringing and indeed, by extension, any other public institution is bringing to society, distinct from or over and above any pure financial or economic value it may bring, and it might express itself with contributions to culture, education, wellbeing, society and so on." (Keating Interview, 2014)

"I came across a paper by, I think, Geoff Mulgan, for – on public value – and, if I remember correctly, I said, this is great, because public value means absolutely nothing [specific], other than what you want it to mean. And if we [laughs], you know, therefore this is absolutely something that we can embrace and determine, because it's sort of fundamentally about, well, what value does the public place on something which is slightly amorphous, and difficult to quantify." (Nagler Interview, 2014)

5.6 The boundary between public service and private sector

Perhaps the most important reason for the BBC to adopt Public Value was that the formerly clear distinction between what was seen as public service, and what should be left to the commercial market to provide, was becoming more contested and harder to maintain in the online world. The BBC felt it needed clarity in order to legitimate its ambitions for new services, particularly in digital and online media.

"We had moved into a world where there was such competition and such a plethora of choices around and you know, spectrum was becoming much less of a restricting resource and so on and satellite had transformed things, the Internet was transforming it, that you had to have more of a definition of what it was." (Thomson Interview, 2014)

“With the term “Public Value,” I think what we were trying to do was really incorporate the notion of a wider, non-private good in a changing technical world. You know, the BBC faces really significant challenges as to how it justifies its existence in a digital environment, in an online environment.” (Constable Interview, 2014)

The BBC faced contradictory pressures: with encouragement from government it had established a commanding position in online in the UK, yet it was also coming under attack for its potentially damaging market impact.

Although still governed by the agreement made with the DCMS in 1998, the BBC’s online presence had expanded rapidly under Director General, Dyke (Dyke Interview, 2014; Kingsbury Interview, 2014). Graf (2004, p.33) reported that BBC expenditure on online had increased from £23m in 1998 to £72.3m in 2003. Now a programme of large-scale digital projects was a key plank of its bid for Charter renewal. Partly it was hoping to increase audience reach and share, and gain a competitive edge; in part it was seeking to help the government achieve a range of policy objectives including: “building digital Britain” by leading industry innovation, encouraging the uptake of new communication technologies and contributing to bridging the “digital divide” (BBC 2004a; Brevini, 2013). The drive to have the BBC deliver government policy was not new. According to Klontzas (2013), “a certain degree of consistent alignment between the BBC and government policy agendas is evident from its inception and throughout its history.”

However the very success of the BBC’s response in launching new services provoked a growing clamour from competitors, echoed by growing concern at the European level that the BBC had overreached itself, was trespassing on commercial territory and using public money to compete unfairly (Elstein et al., 2004; Collins, 2011; Iosifidis, 2012; Brevini, 2013). For the BBC Head of Strategy and Distribution, this was the primary concern:

“Online news was competing with regional press. We had gardening sites that were competing with gardening companies and we had to develop a public service commercial boundary. That was always my special subject when I was at the BBC: trying to help define the public service commercial boundary, which was much more acute in the digital world.” (Fairbairn Interview, 2014)

Fairbairn devised a matrix for the BBC's services to establish whether each was or was not justifiable on public service grounds, with two axes, by genre and distribution pattern: one-to-many, as with traditional broadcast media; as opposed to one-to-one, or personalised. If a proposal was one-to-many then it was broadcast and entirely justifiable no matter what genre. If it was a bona fide public service genre, such as news, it was justifiable no matter what the distribution platform.

“So entertainment, news and education as being the three main genres that we did, education, information, with entertainment having the most stringent requirements to prove public service value...Because that's where the commercial opportunity was...It was probably the closest we got to an intellectual framework and it stood the test of time for a while.” (Fairbairn Interview, 2014)

This distinction had proved problematic for the BBC from the launch of the very first BBC web presence in the mid-1990s. The experience of the BBC Networking Club, closed on competition grounds, had impressed itself on the BBC's thinking (Auckland Interview, 2014). Jeremy Olivier was a member of the strategy team at the time.

“The public service/commercial divide was difficult and hard fought over for every aspect of the BBC's online services at the most trivial level.” (Olivier Interview, 2014)

Richard Deverell, another member of the strategy team in the mid-90s, recalls: “We bumped into all sorts of policy issues. The number one issue being, ‘should it be commercial? Should we treat this the same as a book or a DVD, a videocassette? Or is it public service?’ The BBC really danced around the houses with this.” (Deverell Interview, 2014)

When BBC News Online was due to go live, Director-General John Birt had at first seen it as a commercial proposition, complementing its broadcast activities; just like BBC magazines. At the last moment, he says, he recognised his mistake. This was still very much in people's minds.

“It's a fundamental and bitter argument actually which I participated in a number of, including the early debate where John Birt made what was a very good call,

right at the last in '96, '5-7, that although the BBC would launch a commercial online service, that the BBC's online news service should be a publicly funded service, should be part of the PSB offer. Very, very big decision and nearly wasn't that." (Olivier Interview, 2014)

The Graf Review

In August 2003 at the height of the Hutton crisis, the Secretary of State for the DCMS, Tessa Jowell, had revived the issue with the announcement of a review of BBC Online by former newspaper Executive Philip Graf, as part of the Charter renewal process. His brief was to "look at quality and value for money, how the online services fit with the BBC's public service remit, the services impact on competition and on the general development of the BBC's online services" (DCMS, 2003d).

The resulting Graf Review (2004) questioned the governance of BBC Online, called for a scaling back of the BBC's online presence and the closure of some sites that it felt could not be justified on public service grounds (Kingsbury Interview, 2014). Graf also argued for the need for greater transparency and some independent means of clarifying what was, and was not justifiable, as public service online (Graf, 2004).

The team preparing the BBC's Charter Renewal bid document *Building Public Value* were called in to finalise the BBC's response to Graf, an exercise they say informed their approach to the case for Charter renewal.

"The BBC's market intervention...was...causing too much difficulty for the nascent online market, commercial online market in the UK, and of course the BBC's response pre-dated all our Public Value theory so we didn't necessarily have the language of theoretical armature to do it, but nonetheless we did help to frame a response which talked in other ways about the kinds of value the BBC was building online, but also some of the mitigations it would put in place to minimise its market impact...That's what the Graf Review was all about, the BBC's market impact in the online market, and in a way the whole charter framework was about acknowledging market impact but making the case for the public benefits that brought." (Keating Interview, 2014)

BBC Digital Curriculum

This question of market impact had become particularly acute for the BBC as a result of its experience with its flagship schools project, the Digital Curriculum, the future of which had been thrown into doubt by recent events. These included a ruling by the European Commission that had imposed severe restrictions on the project, and the departure of its champion, the Controller of Factual and Learning, Michael Stevenson (European Commission, 2003).

From the moment the BBC had announced the project in 1999 it had come under attack from a group of commercial online learning providers including Guardian Media, Pearson, Research Machines and Espresso, under the umbrella of the Digital Learning Alliance (DLA). Part of the problem according to Caroline Thomson, was that both the BBC and the government had been slow to realise the project's implications:

“We weren't sensitive about market impact, as what digital did of course, it took us from the broadcast area, into the area which at the same point the commercial education providers in print were moving into, so we both moved into online together and we frankly didn't think initially about market impact... The government hadn't thought of it and the government had asked us to develop the digital curriculum without thinking about Pearsons and so on.” (Thomson Interview, 2014)

The DLA's argument, which eventually prevailed with both the UK government and the European Commission, was that the BBC was competing unfairly and undermining a nascent market. The Digital Curriculum project, launched as BBC Jam in 2006, was suspended soon after on DLA objections, and finally closed in early 2007 (BBC Trust, 2007b). The European Commission ruling in 2003 had allowed the project to launch but with conditions including a proviso that it be distinctive from, and complementary to, the commercial market.

“My strong view was that it was the Achilles' heel of the whole thing, because if you can't define it, then you're open to the charge. And that's eventually what killed Jam – the fact that they couldn't demonstrate that it was properly distinctive and complementary, and there was no agreed definition of it. Even had there been, frankly, it would have been endless, endless argument, because the Digital Alliance

or whatever they were called were so determined to kill it – and there was just waning commitment on the part of the government.” (Wakefield Interview, 2013)

Michalis (2012) argues that the project failed for reasons connected with policy divisions within government, specifically with the DfEE encouraging the project while the DTI was more hostile for competition reasons. However it is important to note that the dividing issue was competition and the European Commission judgement appears to have been principally about questions of competition. Henceforward any public service broadcaster had to ensure that its online provision was “closely associated” with its television and radio output (European Commission, 2003, para.41). Brevini sees this ruling as marking a decisive shift of emphasis in European regulation in relation to public service broadcasters’ online activities. Previously they had been encouraged to use the opportunities opened up by digital media to pursue public service goals, but henceforward the balance began to swing towards ensuring that their online operations complied first and foremost with the principles of European competition law (2013, p.109). Certainly the lesson the BBC drew from the experience appears to have been primarily that the BBC had to be more cautious over competition issues. At the time the Charter bid was being prepared, although the Digital Curriculum was still a live project featured prominently in *Building Public Value*, it was already seen to be in trouble according to a senior BBC Executive, Glenwyn Benson, then in charge of Education:

“It wasn’t a good idea for the BBC to be in a battle in Brussels with private companies, fighting the competition law and the Commission and so forget it... you know, why fight something you can’t win? And so the Digital Curriculum was buried essentially.” (Benson Interview, 2014)

Caroline Thomson recalls:

“The experience of the Digital Curriculum was rather searing about how, even when you got to a core...what we might have thought of and what traditionally in the BBC, you would have thought of as a core public purpose, even in that territory you could end up with market impact issues.” (Thomson Interview, 2014)

5.7 The implementation of the Public Value Test

What became clear was that if Public Value was to be seen to make the BBC more accountable, it had to be measurable. There had to be some way of establishing whether a proposed BBC service did or did not demonstrate public value and to discriminate between what should be a public service offering and what should be left to the market to provide. Moreover to be effective the result would have to be acceptable to all stakeholders, not least the BBC's commercial competitors. The status quo was that any new BBC service was obliged to seek approval from the Secretary of State for the Department for Culture Media and Sport. This could make for a long-drawn out and highly politicised process, involving both Westminster and Brussels, open to challenge and with an uncertain outcome, as the fate of the Digital Curriculum had demonstrated. The process of petitioning the DCMS for each new service was no longer seen as fit for purpose:

“On the Digital Curriculum, we ended up with a set of conditions that were centimetres thick, set by civil servants who didn't really understand, who were simply taking what the industry were asking and what we were proposing and, sort of, essentially...I'm not blaming them for it, but you know, cutting a middle route between the two as best they could without really any level of expertise.”

(Thomson Interview, 2014)

The BBC felt it needed to have a defensible position.

“The old Charter left the government to make the decision about could you have the market impact, which took them into really inappropriate editorial areas and areas that were beyond their expertise. You had to develop some new system for getting the projects launched and the system that had the confidence of the industry as well.” (Keating Interview, 2014)

One particular example, the process of getting agreement to go ahead for a new youth-oriented television channel, BBC3, had proved difficult and protracted. BBC3 was first proposed as part of a reconfiguration of the BBC's digital channel portfolio in 2001, but delayed on competition grounds after objections by both Sky and E4. The government department in charge, the DCMS, appeared to be unsure about the process according to Danielle Nagler.

“One might argue that that competition had become much more organised in how it dealt with BBC proposals, with the result that [DCMS] certainly for the digital services, appeared to be somewhat rabbit-in-the-headlights, what shall we do?”
(Nagler Interview, 2014)

The BBC submitted a revised proposal in 2002 and the channel finally went on air in 2003 (BBC, 2003d). The experience confirmed the BBC in the view that a new process was needed.

“On BBC3, you know, they were taking quite inappropriate decisions in many ways, about how much news there should be on the channel and that sort of thing and what percentage of programmes should be culture and what should be...I can’t remember the conditions, but they set a whole set of conditions, entertainment mustn’t be more than X% of the schedule, sort of thing. It was that experience which persuaded me that we had to have a different way, a way essentially of the Governors or the Trust or whatever it was, the Governing body taking a decision that had public confidence. The Digital Curriculum consolidated that view.”
(Thomson Interview, 2014)

Some at the BBC also feared that the Corporation might become subject to regulation by Ofcom, an argument that then had currency (Cave, Collins, Crowther, 2004; Sweney, 2014). In a pre-emptive move the BBC decided to take the initiative, and devise a new form of regulation for itself.

“We took it upon ourselves to invent a new form of control. We recognised we needed...we couldn’t just go willy-nilly launching things, we would just run into too much trouble and it wouldn’t be right and we needed a new form of control and we took it, we decided that it was better that we tried something, tried to develop something and see if it flies, than have it done to us.” (Thomson Interview, 2014)

The solution the BBC proposed was the Public Value Test, designed to avoid the problems with the existing arrangement.

“Part of the architecture of Public Value and the Public Test and the accountability that goes with it and the transparency of it and the quantifying of market impact

through Ofcom was all about creating a legitimate system whereby transparently the approval of new services or service closures could be handed to an independent body called the Trust and not become the responsibility, not remain the responsibility of government.” (Keating Interview, 2014)

Happily for the BBC the government was also keen to remove itself from the process. In late 2004 Mark Wakefield was working in the Governors’ Governance and Accountability Unit, which was preparing for the transition to the Trust when it would become responsible for conducting the Public Value Tests:

“I mean, the DCMS were very clear, that they did not want to go on approving new BBC services – you know, they’d been through BBC3, they’d been scarred by BBC Jam, they didn’t want that responsibility, they wanted this new, more distant body, the Trust, to do that job, and of course, the PVT was at the heart of the whole thing. ... And so the whole thing had to be staffed up to do that job.” (Wakefield Interview, 2013)

Much of the commentary on the Charter has focused on the replacement of the BBC Governors by the Trust. But some involved feel that the Public Value Test making decisions on new BBC services independent of government, was more significant:

“The governance change post-Hutton in the empowerment of the Trust, we mustn’t forget, is not just about a slightly more separate governing body from the BBC itself. The other arguably more important change from that Charter to the current one, was the ability of the BBC itself, through the Trust to legitimately sign off new services without having to go to government.” (Keating Interview, 2014)

Measuring Public Value

When it came to establishing the Test criteria the question was how to devise ways of measuring Public Value that would satisfy both the BBC and its critics. As Collins (2006, p.31) noted, previous attempts at offering a precise and measurable definition of public service had by and large failed, including most recently that by the Davies Review of the BBC’s funding: “We decided that we may not be able to offer a tight new definition of public service broadcasting, but we nevertheless each felt that we knew it when we saw it”

(DCMS, 1999, p.10). *Building Public Value* acknowledges the difficulty of using Public Value as a measure of performance, but displays a confidence that it can be done:

“Although no single numerical calculation is either possible or desirable, we believe that a number of objective methods of measurement and assessment are feasible. Public Value should not be seen as a broad justification for what the BBC does but as a practical test that can be applied by the BBC itself, by its Governors and by the public, to decide what it should do – and how well it does it.” (BBC, 2004, p.8)

The Test had two parts: an assessment of a proposal’s “Public Value” by officers of the BBC Trust, and a Market Impact Assessment which under the new Charter was to be conducted by the regulator Ofcom (BBC, 2004, pp.15-16). The Trust would then form a judgement on the balance between the two to determine the outcome. Ed Richards, Chief Executive of Ofcom from 2006, believes this decision to have Ofcom take on responsibility for conducting the Market Impact Assessment greatly enhanced the legitimacy of the process because it made this judgement independent not only of the BBC but also of the officers of the BBC Trust.

“In time they realised we could do something in this area which gave legitimacy... far more legitimacy to any decision they made than they could give it, because I don’t think anybody ... in the industry really believed that the Trust ... had the capacity to do a really thoroughgoing market impact assessment or nor necessarily would they believe that the Trust would do it objectively.” (Richards Interview, 2014)

In *Building Public Value* the BBC had proposed to benchmark the Public Value of a proposed new service against the Public Purposes using the four indices of: “reach, quality, impact, and value for money” (BBC 2004a, p.14).

“We intend to use public value as a hard-edged tool for decision-making about what the BBC should do – and, as importantly, what it should not do... we hope it can put more rigour and evidence into the evaluation of public service broadcasting that has in the past tended to be almost wholly subjective.” (BBC, 2004a, p.47)

Just how the BBC and the Trust interpreted these indices in practice during the first Public Value Test, on the iPlayer and on-demand service proposals, is discussed in the next chapter.

The institutionalisation of the Test

The crucial question for the BBC was not only about the particular Test criteria but also would all stakeholders in the process, most importantly the BBC's commercial competitors, accept them? If the BBC could get general agreement on the criteria, the question of objectivity would matter less.

“Very early on we took a view that public value was going to have to involve judgement as well as metrics, that against each of those purposes there may be things you can measure in quantifiable terms and things you can't, but nonetheless that was the great bet in a way around public value theory, that you could gain a consensus around that idea.” (Keating Interview, 2014)

For Lee, Oakley and Naylor (2011, p.289) the Test was an essentially ephemeral phenomenon, an example of policy ideas that are “transmitted, briefly flourish and then dissipate.” Although there may be some substance to the charge of opportunism, the Test has nonetheless proved a far from an ephemeral phenomenon. It is a solution that has so far endured and been widely imitated, not only by broadcasters but also by cultural organisations such as Arts Council England as they themselves note (Ibid, p.294).

Although the Trust has only conducted six Public Value Tests, and only one proposal has been rejected, (that for Local video provision), the Test remains in force in 2015. All services are subject to periodic review under the Service Licence procedure; and the BBC's involvement in some commercial partnership projects are subject to a similar Public Value Assessment known as a “non-service approval”. This process was used for instance with the BBC's participation in Project Canvas, which later evolved into the YouView consortium (BBC Trust, 2010b). It may be that the threat of its use is sufficient deterrent to ensure compliance. There is some anecdotal evidence that at least one potential new BBC Education service, Class Clips, was designed so as to avoid being put through a Public Value Test, a point I explore in more detail in the chapter on the Creative Archive (Auckland Interview, 2014).

In 2013 the Public Value Test, according to O'Brien (2013), continued to play "an important and structuring role in the way BBC management thought about strategic proposals". In 2014 the Trust conducted Public Value Tests on the BBC's proposals to extend the iPlayer window to thirty days (BBC Trust, 2014c), and to launch an online BBC Store, essentially a commercial version of the iPlayer to exploit content beyond the iPlayer public service window (BBC Trust, 2014b). The Corporation also announced plans to undertake a Test upon the BBC's proposal to put BBC3 online only (BBC Trust, 2014a). This situation may change; at the time of writing the BBC is entering a new Charter renewal round. The Chair of the BBC Trust, Rona Fairhead, has indicated that the operation of the Public Value Test "needs revisiting" (BBC, 2015a).

The BBC's introduction of the Public Value Test has led to the adoption of similar procedures across Europe. The 2009 Commission Communication (European Commission, 2009) encouraged EU member states to introduce similar *ex ante* tests for adverse market impact, before allowing the introduction of any new media service by a public service broadcaster. Levy (2013, p.9) writes: "the UK's introduction of the PVT triggered a process of policy learning and emulation elsewhere in Europe"; while Brevini (2013, p.150) describes this process as one of a "policy transfer between the United Kingdom and Brussels, given that the *ex ante* test is substantially modelled on the BBC's PVT".

5.8 The strategic effectiveness of the Public Value Test

My third question asks how effective the BBC was in its development and implementation of Public Value and the Test. In the last chapter I raised some of the methodological issues with the evaluation of the effectiveness of strategy. If we take it to be benchmarked against the BBC's objectives at the time, then in 2003-4 these were relatively clear: to renew its Charter and survive as an institution. To achieve the latter it felt it needed to launch its programme of digital media services and to find a way to legitimate them so that they could survive challenge. In this section I explore the extent to which Public Value and the Test enabled the BBC to achieve these aims.

By these criteria my findings suggest the strategy was largely successful. Despite the crisis the BBC faced as it entered the Charter renewal process, the adoption of Public Value and the Public Value Test helped to enable the Corporation to win a new Charter and to resolve its crisis of legitimacy by redefining its own remit and persuading the government to give

statutory force to a new form of regulatory mechanism that the BBC had itself devised. The BBC adapted to the prevailing market philosophy to re-legitimise its mission and to realise its digital media ambitions. It had an agreed procedure for the launch of new services, which was defensible and largely insulated it from interference from its critics and competitors. My interviewees suggest that the BBC would not agree with Collins' view that: "The BBC's adoption of public value doctrines seems likely to be recorded in broadcasting history as an unsuccessful gambit in a bid to secure renewal of its Royal Charter and a new licence fee settlement on favourable terms" (Collins, 2007b, p.184). Indeed the Public Value Test has become institutionalised and widely imitated.

"It was an important piece of strategic thinking...and I think without it, it would've been very difficult for the BBC to have launched a lot of its new services. They would not have been legitimate. The Trustees would not have had a means for approving them; the commercial lobby who didn't want these services would've had all the ammunition they needed." (Fairbairn Interview, 2014)

All parties accepted the ground rules of the new procedure, and as a result, not one new service passed by the Trust has faced a significant challenge or been overturned. The Test effectively removed the fraught issue of new BBC services from the political arena, and offered the BBC some protection against challenge from commercial competitors. As Michalis (2012, p.26) notes:

"The fact that to date none of the Trust's PVT decisions has been judicially challenged is proof in itself that overall the process works and, perhaps more importantly, is perceived as credible by the stakeholders."

Keating believes that the establishment of the Test may prove as significant an outcome of the 2007 Charter renewal settlement as that of the Trust.

"The other arguably more important change from that Charter to the current one was the ability of the BBC itself, through the Trust, to legitimately sign off new services without having to go to government...that I think is probably an important legacy and I'd be surprised if they go back, I'd be surprised if that gets reversed in the future." (Keating Interview, 2014)

Even so the BBC has not remained entirely immune from commercial pressure. From time to time competitors have returned to the attack. In 2008 the British Education Suppliers Association (BESA), an industry alliance that had earlier lobbied for the closure of the BBC Digital Curriculum, brought a Fair Trading case against two further BBC Education online services: BBC Bitesize and BBC Learning Zone Broadband. In 2010 the BBC Trust ruled in favour of the BBC but reaffirmed the importance of the BBC conducting appropriate market impact assessments for all its services (BBC Trust, 2010a). Also the adoption of Public Value came with a price tag attached. Firstly, because it made public service more readily measurable, according to two of the architects of *Building Public Value*: “The risks were to do with micromanagement, the danger of reducing our public outputs to oversimplified metrics and so on” (Keating Interview, 2014).

“I felt that we were at the top of a slippery slope, and I think the BBC has progressively slid down that slippery slope, of opening the Corporation up to levels of scrutiny and transparency which would affect its ability to do the wonderful things it does.”
(Constable Interview, 2014)

Secondly, it institutionalised a more marketised definition of its public service mission in both the senses identified by Karppinen and Moe (2014) i.e. the market as an institution and as a more abstract conception of “market logic”, in particular in the argument for the need for accountability through measurement. The Market Impact Assessment recognised new limits on BBC online activity, while the Public Value Assessment brought consumer considerations into the heart of the operational definition of public service media. As critics have noted, it secured regulatory certainty, but at the cost of accommodating the concerns of industry (Michalis, 2012, p.13). Also as Brevini (2013, pp.24ff) has documented, there are signs that the pressure of marketisation on European PSBs has if anything increased over time. The most recent evidence of this is a European Union initiative that seeks to remove geo-blocking from streaming services as part of plans to create a single European digital market. It is far from clear what the implications of this development are for the future of the BBC iPlayer in the areas of rights, costs and competition with its suppliers. However the Commission has already indicated that it would expect the iPlayer to become far more portable across Europe for UK Licence Fee payers (Ansip, 2015; European Commission, 2015).

5.9 Conclusion

In this section I briefly summarise what these findings suggest in terms of my research questions. Firstly what my interviews show about the BBC strategy development process is that, as an institution, the BBC was capable of both long-term planning for strategy development, and improvising solutions in an opportunist manner when it felt the occasion required. The Charter process was approached with some care and deliberation, beginning five years out, in late 2002, led by the BBC's Directors of Strategy and Policy and delegated to a small adhocratic team in the sense identified by Mintzberg (2003). The adoption of the concept of Public Value by the Executive, which was encountered during the research process, appears contingent rather than premeditated. Similarly the invention of the Test, though flowing from the requirement for a legitimisation device could scarcely be foreseen, nor could its long-term institutionalisation and impact.

The factors that shaped the BBC's strategy development in relationship to the crisis it faced sprang from its history and the nature of the challenges that confronted it as it prepared for Charter renewal in 2003. The Corporation's position was unenviable, facing as it did multiple threats: a hostile government, declining and fragmenting audiences, pressure to scale back its online operation, increasing competition and the need to fund expensive new technologies. The traditional arguments for public service were being called into question, especially in online, and with them the case for the continued existence of the BBC. The experience of the BBC Jam fiasco, and the conclusions of the Graf review had driven this point home. The Corporation could no longer be confident of where and how to define the boundary between public service obligation and private sector opportunity. This produced a situation where the BBC could no longer be sure of launching services it felt were vital to retaining audience reach, share and relevance. It was this that led the BBC to revisit its Public Purposes with a view to establishing how to redefine and justify public service broadcasting in the digital world.

The decision to return to first principles demonstrates how far its leadership was ready to go in pursuit of institutional survival. It represented a coherent response to an immediate crisis but also to pressures that had been building up on the BBC for some time. The charge of opportunism may have substance: the BBC appears to have read the zeitgeist well in its conveniently ambiguous interpretation of Public Value then in currency in New Labour circles. From an institutionalist perspective the BBC was an incumbent faced with

challengers within its organisational field. It subverted the field governance unit, in this case a new body, the BBC Trust, to reach a field settlement, institutionalised in the Public Value Test, on the best terms it could achieve, thus securing a (possibly temporary) resolution of the conflicting demands of the logics of public service and marketisation (Fligstein and McAdam, 2012).

I have noted the difficulties of assessing strategic effectiveness. In the adoption of Public Value and the devising of the Public Value Test the BBC sought to resolve a crisis common to all public service broadcasters and to create a framework which would enable it to legitimise its digital media services and insulate them from competitor challenge and government interference. In this it was largely successful. From the perspective of institutional analysis the new BBC Charter can be seen as representing a case of regulatory capture. The BBC seized control of the agenda to rewrite the rules of the game - the institutional logic of the broadcast field - in its own favour. The long-term institutionalisation of these measures both in the UK and across Europe demonstrates the significance of the BBC's particular interpretation of Public Value, and its success in reading the balance of forces and institutional logics in play. However by accommodating the logic of marketisation in the heart of the definition of public service, the Corporation may have created problems that it will have to address at a later date.

The next chapter will focus on how the BBC approached the first Test with the case study of the BBC iPlayer.

Chapter Six: The iPlayer and on-demand

This chapter reports my findings on a case study of the iPlayer, the BBC's flagship video-on-demand and streaming service. My aim is to try to understand how and why the BBC took the step from on-air to on-demand provision, how its leadership made sense of the challenges it then faced, and what this tells us about strategy development and implementation in the BBC. My research interviews covered the following questions: how and why did the BBC develop and implement an on-demand strategy between 2002 and 2007; what was the process; what factors affected the decision-makers, what issues and dilemmas did they confront; and how effective or successful have they been?

In the previous chapter I examined how the BBC's adoption of the concept of Public Value and the Public Value Test was designed to enable the BBC to realise its digital media plans and re-establish its legitimacy, particularly in online. The iPlayer and on-demand proposals were the first of the BBC's services to be put through the Test. In this chapter I explore how this came about, how through the test process the BBC operationalised a new definition of public service, and some of the implications of this both for the BBC and for public service broadcasting.

The chapter begins with the reasons for choosing to focus on the iPlayer and the BBC's on-demand services. Then there is an account of the process of the development and implementation of the iPlayer, including the first Public Value Test and the launch. There follows a section on the factors that led the BBC to adopt the proposal and feature it in its bid for Charter renewal, and promote it to become the centrepiece of BBC digital media strategy. Then there is an analysis of the first Test of the on-demand services. I conclude by asking how effective this strategy development has been for the BBC.

6.1 The case for studying the iPlayer

The first reason for focusing on this case study is that since the BBC launched the iPlayer in 2007 on-demand television has become a central and defining feature of BBC digital media provision. In the words of one interviewee this was "a transformational change for the BBC" (Deverell Interview, 2014), and not only for the BBC. Because the BBC is the leading public service broadcaster, and because the iPlayer has been so successful, the way

it has addressed and managed this transition has proved influential among other public service broadcasters across Europe (Brevini, 2013); marking a transition from public service *broadcasting* to what has become known as public service *media* (see for instance the essays in Lowe and Bardoel, 2007). This process has given rise to a debate about the legitimacy and future of public service provision (Moe, 2011).

When the iPlayer was first mooted some within the BBC questioned whether viewers would ever want to watch television online. On-demand and streaming services have since become a “dominant design” for UK broadcasters’ use of digital media including ITV, Channel 4, Five and Sky (Tidd, Bessant and Pavitt, 2009, location 1466). Today audiences in Britain and elsewhere take it for granted that they will be able to catch up on programmes they have missed any time, anywhere and on any device they choose (KPMG, 2015). Non-linear access, or TV everywhere, is one of the defining features of what Bennett and Strange (2011) call “television as digital media,” and what Lotz (2014) describes as “post-network television”.

This is an exploratory study of the process of strategy development and implementation, and the relationship between strategy, innovation and institutionalisation. The iPlayer case study enables a first hand investigation of a major strategic development at the BBC, and in particular a chance to look closely at the balance between rational forward planning and emergent strategy, as the iPlayer moved from being a novel idea, to a showcase proposal in the BBC’s Charter renewal bid, to become the defining feature of its digital media strategy. It illustrates how much research and analysis the BBC applied to anticipating technological change, how much resource was devoted to innovation, and yet also how ad hoc and improvised the process could also be, with little connection between the two at times. The BBC appears as both prescient and pro-active, and yet resistant to the changes needed to follow through on its analysis. The findings also highlight the intimate relationship between the development of the on-demand services and that of the Public Value Test, and the extent to which each affected the development of the other.

The iPlayer case study is an example of public service digital media innovation in a long-established media organisation, which has implications for theories of innovation and the innovative potential of the public sector. The evidence of my interviewees challenges one influential body of American scholarship on innovation, typified by Christensen in the

Innovator's Dilemma (1997). This school views incumbent legacy organisations, especially those in the public sector, as too resistant to change to be capable of innovation.

This case study offers an opportunity to explore the relationship between institutional or production culture and legitimacy. One important strand of research on BBC new media development comes from a production studies approach (Bennett and Kerr, 2012; Bennett et al., 2012; Bennett, 2014). This analyses the effect the BBC's production culture had on its implementation of digital media projects and services during this period. As will be seen this was a factor in the development of the iPlayer, but it does not appear to have operated in quite the way their research suggests.

By contrast, the institutionalist perspective allows an examination of the significance of the way the BBC identified and responded to the factors in its organisational field in the development of new services such as the iPlayer. In particular it draws attention to the implications of the tension between the institutional logics of public service and marketisation.

This case study also sheds new light on another factor in the development of on-demand and streaming services, or "Over-The-Top" (OTT) services in industry parlance. Some studies of the introduction of streaming media services, such as those by Evens and Donders (Evens 2013; Evens and Donders 2013) examine the dynamics of the commercial European broadcast field in terms of a competitive value chain analysis. Their work focuses on competitive positioning and market issues, however it does not examine the behaviour of public service broadcasters. My findings enable me to ask to what extent a public service broadcaster pursuing this strategy may be doing so for the same competition reasons, or because of a desire to secure its legitimacy through protecting its ability to maintain universal audience access.

6.2 The development process

The first research question concerns the process whereby the BBC developed and implemented an on-demand strategy. Although the Hever strategy exercise had anticipated such a development, the iPlayer's origin appears to have owed little to strategic considerations. It came from an unplanned initiative on the part of a New Media executive, Tony Ageh, then the Controller Internet, Home Page and Search. His aim was to provide

an online service for the new digital television channel, BBC3. In February 2003 he and a colleague came up with a proposal for a streaming video-on-demand service (actually video-on-request) with a working title of “3VO” or Three Video On Demand (Ageh Interview, 2014; Thompson Interview, 2014).

BBC3 was not interested but Ageh persisted. He teamed up with Ben Lavender a software engineer in BBC Research and Development and together they created a prototype of an “online personal video recorder” to offer both catch-up television and access to the BBC programme archive. Lavender did the technical development; Ageh provided the authority and a budget to fund it (Ageh Interview, 2014; Thompson Interview, 2014).

The BBC was not the first UK broadcaster to launch an online media player even though it began development first, it was beaten by Channel Four (Channel 4, 2006). BBC online at the time featured a variety of commercial online video platforms such as RealPlayer, QuickTime and Windows Media Player alongside more bespoke designs. However the BBC iPlayer was the first UK broadcaster to make a success of video-on-demand. The iPlayer was an innovation in the sense described by Tidd, Bessant and Pavitt (2009, p.895) as “a process of turning opportunity into new ideas and of putting these into widely-used practice.” As the BBC Director of Future Media and Technology later put it: The BBC wasn't the first mainstream media company to offer a video-on-demand service, but I do think we were the first to get it right” (Huggers, 2010).

This proposal was one of a stream of new media ideas being worked up at the BBC at the time. A former BBC strategist recalls: “In New Media and Technology you had all sorts of skunk works going on, developing new initiatives” (Thickett Interview, 2013). His view is echoed by another former BBC Executive from New Media:

“For anyone who hasn't worked there, I think there is a perception that the BBC is a big old beast which is an incumbent and doesn't really innovate, doesn't really know how to do innovation and, in my opinion, the reality is far from that perception.” (Kingsbury Interview, 2014)

This portrait of the BBC generating a continual stream of innovative new digital media proposals runs counter to the school of thought outlined by Christensen (1997) in the *Innovator's Dilemma*. This view argues that incumbent organisations such as the BBC are

likely to be hierarchical and sclerotic, less capable of innovation, and vulnerable to disruption from new market entrants in the form of private sector insurgents. Lotz (2014, p.11) has a similar analysis in her account of US network television's shift from multi-channel to post-network television. The evidence suggests that this theory underestimates the possibilities for innovation by industry incumbents such as the BBC, and overlooks the role of the public sector in innovation described by writers such as Mazzucato (2013).

As with Public Value, the iPlayer was the outcome of a small adhocratic team of the type described by Mintzberg as a feature of innovative organisations (Mintzberg, 2003, p.404). However the iPlayer was the unplanned product of a team that came together through a shared interest and was made possible by the degree of discretion and autonomy they had to pursue innovation for public service purposes within what in other respects was a formal, hierarchical and bureaucratic organisation. Although Ageh had the funds to enable Lavender to build a prototype, he could not realise his idea without help. The proposal for what become known as the iMP, short for Integrated Media Player, was just one of many vying with other projects for the endorsement of the BBC Executive and a budget. According to Jonathan Kingsbury then a BBC new Media Executive: "The BBC prototypes many things, and...it can take quite a long time for things to get momentum, and that [the iMP proposal] at the time was one of many things that were being developed" (Kingsbury Interview, 2014).

To make progress on such an innovative project would require the backing of a senior figure, one who could put it onto the agenda of the BBC Executive. Ageh and Lavender embarked upon a lobbying campaign within the BBC. They met with both scepticism and resistance. Ageh reports an almost visceral reaction from some executives and programme-makers who saw a threat to their budgets, resources and traditional ways of working. "The BBC did not want to build the iPlayer. It was dragged kicking and screaming towards it. It was only when it was successful that people started to appreciate it" (Ageh Interview, 2014). After more than eighty presentations they showed a proof of concept to Carolyn Fairbairn, the BBC's Head of the Strategy and Distribution who had participated in the Hever strategy process. She recognised that their proposal dovetailed with the BBC's high-level Hever strategy developed four years before, which envisaged a "total digital" future in which "broadband access will be standard, offering the user full on-demand capability" (BBC Written Archives, 1998). Fairbairn facilitated a presentation to the BBC Executive, headed by the Director General, Greg Dyke:

“I said, ‘That’s it’. I’d been waiting for it and so I think it was in a funny way the marriage of pragmatism and strategy because we knew what we were looking for Greg and I and the strategy team and other people, but we were waiting for it and so when it got to me I was able to put some money in and they were able to develop the prototype and we demoed it for the Executive Committee and that was how it took off.” (Fairbairn Interview, 2014)

The Interactive Media Player or iMP received the backing of the BBC Executive in November 2003. The Executive sign-off overrode the resistance the project had previously encountered (Ageh Interview, 2014; Dyke Interview, 2014; Fairbairn Interview, 2014).

However at this point the project encountered a familiar issue: should it be a commercial or public service proposition? This question became the focus of departmental politics: the BBC’s commercial arm BBC Worldwide argued that it should assume control of the project. A turf war broke out which ended with New Media retaining control. Then the question became how long should programmes be available online for free as part of the public service proposition, and at what point should they become available for commercial exploitation as DVD, download or stream. A compromise was reached on seven days only for the free public service window (Ageh Interview, 2014; Thompson Interview, 2014; Olivier Interview, 2014). With the ownership and the rights issues settled the Interactive Media Player was featured in the Charter renewal bid document *Building Public Value* in June 2004, which announced: “The BBC will make its services available when and where people want them, with a new generation of BBC on-demand services” (BBC, 2004a, pp.63-64).

The bid document included two kinds of idea, those designed specifically to realise a Public Purpose, and those already in development, like the iMP and Canvas (later YouView), which could be made to fit into the Public Purpose framework, according to team co-leader, Charles Constable.

“Some of them were ideas that we developed as a result of thinking about what the BBC’s purpose should be, and I would say the Creative Archive was much more in that category, whereas Canvas and the iMP, were much more ideas that were

floating around the BBC and we could put into a framework.” (Constable Interview, 2014)

Unlike the Public Value Test which was the outcome of a planned process, the BBC’s shift to on-demand provision displays a mixture of blue-sky thinking, with an almost serendipitous approach to innovation. The manner in which the iPlayer developed from an ad hoc solution to an immediate issue, into a key proposal in the BBC’s Charter bid illustrates how strategic change was the product of contingent events combined with a longer-term strategic orientation. The Hever process had led to a recognition that the BBC needed to plan to develop on-demand, but the timetable was uncertain, possibly years or even decades away. The plans were not translated into action, nor communicated to the executives in New Media. The two processes appeared to run in parallel. Had Ageh and Lavender not persisted, or not met an interested figure that was senior enough to get it onto the Executive’s agenda, it is possible the iPlayer may not have been developed, or not so early on. This emergent strategy process, dependent upon initiatives from elsewhere was characteristic of the BBC at the time, according to one former strategy executive:

“Strategy in the BBC is not like it is anywhere else. In most organisations the role of the strategy team is to drive the organisation forward in terms of how it builds value for its shareholders... In the BBC the strategy team, because of the way the organisation is, its job is to coordinate what’s going on in different parts of the organisation... It’s funny because when I was in Strategy, this was all evolving at the time, but nobody ever sat down and said: ‘This is going to be our distribution strategy for the next 10 years.’ It just happened and it lurched from one project to another.” (Thickett Interview, 2013)

This is in direct contrast to the rationalist school that views strategy as a top-down planned process (Andrews, 1980; Kotter, 1996; Porter, 1996) and more closely reflects the emergent nature of strategic development in which “formulation and implementation are intertwined as complex interactive processes in which politics, values, organisational culture, and management styles determine or constrain particular strategic decisions” (Mintzberg et al., 2003, p.xiii).

6.3 The implementation process

Between *Building Public Value* and launch in 2007 the iPlayer and on-demand services moved from being one flagship proposal among several to become the centrepiece of the BBC's digital media strategy.

Within months of the BBC's Charter bid in Spring 2005 the government responded with a Green Paper that accepted the substance of the BBC's proposals (DCMS, 2005). The iMP then began testing with five thousand users. A second series of trials was run "to assist the BBC Governors in evaluating its Public Value" (BBC 2005; 2006b). The Governors had not yet made a final decision on a range of issues according to Simon Terrington from Human Capital, the consultancy that conducted some of the research:

"Stuff about music, window length, what exactly the interface looked like: was it just the BBC website or was it a separate thing? The point is, the Public Value Test forced everybody to be clear about what it was going to be, we felt the process was helpful because it gave us a structure that forced us to pin these things down."

(Terrington Interview, 2014)

Parallel to this was a strategy exercise *Beyond Broadcast* that was part of a larger project, *Creative Future*, designed to flesh out the implications for BBC production of implementing *Building Public Value* (BBC, 2006c). *Beyond Broadcast* was led by Richard Deverell, then in charge of BBC News Interactive.

"The whole thrust of that piece of work - it wasn't about, so much, user-generated content or social media, though it referenced those phenomena perhaps not with sufficient emphasis, almost certainly, but the main thrust was moving to an on-demand world." (Deverell Interview, 2014)

The *Creative Future* exercise also led to the New Media being split into two; Future Media and Technology (FM&T) including all BBC technical staff with a seat on the BBC Executive Board under Director Ashley Highfield; and the smaller BBC Multiplatform, which became a part of the programme-making department, BBC Vision. The iMP (iPlayer) became the responsibility of the larger and more powerful FM&T (BBC, 2006e).

Announcing the outcome of the *Creative Future* Director-General Thompson (BBC, 2006d) said: “We need to shift investment and creative focus towards on-all-the-time, 24/7 services. On-demand is key. It's not just a new way of delivering content. It means a rethink of what we commission and make.”

Despite a public commitment to 360-degree commissioning and production the emphasis was moving towards iPlayer and away from other digital projects, according to former New Media executive Paula Le Dieu:

“At the same time iPlayer was getting stronger and stronger and stronger and capturing more and more people’s imagination, and when television talked about what new media could do, iPlayer is what they had in mind...when decisions came down to where are we going to put money, where are we going to put effort, where are we going to put energy, internally the decision was always iPlayer.” (Le Dieu Interview, 2014)

In 2006 the BBC Governors announced that only one proposal at a time would be able to go through a Public Value Test. The BBC Executive chose the iPlayer and on-demand for the critical first Test (BBC, 2006f).

This was in marked contrast to the process that preceded the launch of the BBC RadioPlayer in 2002. This had been subject to far less oversight and had faced fewer obstacles than the iPlayer, according to the Executive responsible.

“Radio was able to fly a bit under the radar because it was less high profile – for rights holders, regulators, senior BBC management – many of whom also saw us as a bit of a test case. Once it became about television as well, everyone wanted to get involved...Radio, we were like, we could just put our heads down and do it.” (Nelson Interview, 2014)

The first Test process was undertaken by the Governors Governance and Accountability Unit during the latter half of 2006 (BBC, 2006f). In April 2007 came the judgement from the Trust. The stakes were felt to be much higher this time. For the BBC which had devised it, the Public Test had to be seen to be credible; in conducting it the BBC Trust had to be seen to be sufficiently robust and independent for the outcome to withstand challenge

from commercial interests. However a rejection by the Trust could jeopardise the BBC's entire digital programme. The outcome was far from certain according to one former BBC executive: "Everybody was lined up saying: 'At last we've got the mechanism to stop the BBC from endlessly expanding!'" (Gerhardt Interview, 2014).

Ashley Highfield, BBC Director of Future Media and Technology responsible for the iPlayer later recalled: "There was 'Do not fuck up' written clearly on my remit" (Quoted in Chibber, 2009).

The BBC leadership, including Director-General Mark Thompson, shared these concerns says Caroline Thomson:

"I can remember being terrified that the Trust would throw it out, I mean we did really genuinely worry, we had never done a Public Value Test before and I can remember Mark and I sitting somewhere in the West End, in a café, having a conversation and him saying to me, 'Do you think they'll pass it?' We were really worrying." (Thomson Interview, 2014)

To their relief the Trust announced that, on balance, the iPlayer clearly offered enhanced Public Value and "a good fit with the BBC's public purposes, contributing in particular to the take-up of emerging technologies" (BBC Trust, 2007a, p.32). This latter was a reference to a sixth Public Purpose introduced in the new Charter. This imposed a responsibility on the BBC to: "help everyone in the UK to get the best out of emerging media technologies now and in the future" (BBC, n.d.b). The Test outcome went unchallenged: both the iPlayer and the Test itself were vindicated and the BBC could be confident at last that it had an independent and defensible procedure for authorising new services.

Within BBC Future Media and Technology there remained concerns about delay and the ease of use of the iPlayer, in particular a problem with buffering which meant that users had to wait while the video downloaded, and could face interruptions in the video once it was playing. Eric Huggers arrived from Microsoft to push the project through and brought in Anthony Rose as lead designer. Huggers cut through red tape while Rose resolved the technical issues (Olivier Interview, 2014; Thickett Interview, 2014). Huggers said later,

"What was missing was this clear focus to ship product. Ship product, ship product, even if it's not perfect" (Gibson, 2008).

After a soft launch during the summer, the iPlayer had its official release on Christmas Day 2007. By this time both Sky and Channel 4 had launched their own video players, nonetheless the iPlayer was an instant hit registering over three million programmes streamed or downloaded in the first two weeks. Requests for streamed programmes immediately outnumbered downloads by a factor of eight to one (Huggers, 2008).

6.4 Factors affecting the adoption of on-demand

The second of my research questions is: why did the iPlayer and on-demand services become showcased in *Building Public Value*, and then become the centrepiece of the BBC's digital media development and strategy and the first proposal to be submitted to the Public Value Test; what factors affected the decision-makers, what issues and dilemmas did they confront, what were their priorities and why?

Long-range planning

According to Fairbairn when she first saw a demonstration of the iPlayer prototype, she recognised it as something the BBC had already been looking for. The decision to go-ahead with the proposal reflected the extent to which the BBC Executive felt it offered both short-term and long-term gains and more importantly fitted in with existing plans.

The immediate attraction of the iPlayer was that it seemed the logical next step in its on-demand and distribution platform strategy. This strategy had led to its Internet presence, a portfolio of digital television channels and most recently and successfully the digital terrestrial platform Freeview, a move led by Fairbairn and Director-General Greg Dyke. The BBC had been looking for the next development and, unbeknownst to Ageh, working on an on-demand strategy focused on broadband.

"Greg and I had talked a lot about this. The natural successor to Freeview was ... we actually had the idea; it would be Freeview, Freesat and Free band. The idea was free broadband and we had to move away from that because obviously the broadband isn't free. But the next thing was going to be the BBC having a really

powerful broadband presence and providing on-demand.” (Fairbairn Interview, 2014)

The BBC on-demand strategy had come out of the “Hever” process designed to produce a vision of the media world twenty years in the future, and led by the Head of Corporate Strategy, Ed Richards. The picture which emerged envisaged “three phases of digital”: words on-line, near video-on-demand, and full video-on-demand as technology advanced and audiences changed to expect media to be available whenever and wherever they wished.

“If you went back and read the Hever papers you won’t find something called the iPlayer but you will find all the conceptual thinking that led to it and that something like that...would be necessary. Now we didn’t do any of the work on what it was, or the coding or anything like that, but all the... particularly the thinking about an on-demand digital world was all set out, that was the focus, that’s what it was all about.” (Richards Interview, 2014)

The BBC’s first on-demand development, which had benefited from investment as a result of the Hever process, was the BBC RadioPlayer launched in 2002. Simon Nelson the then Head of Strategy for BBC Radio recalls that some £700,000 of the Radio online budget was dedicated to on-demand, mostly for rights:

“We increasingly, of course, were looking at the Internet as a delivery mechanism. And at the different potential benefits of the Internet. Core 1 was, on-demand media. Now, we weren’t alone in radio in looking at that, the TV side had clocked it as well, the online side were very excited about it, but it was clearly very, very early days for any of them. Anyway, this process played through, and, you know, we played pretty well in that, so suddenly got given, like, three and a half million pounds to develop...the online stuff that we’d put forward.” (Nelson Interview, 2013)

For television the challenges were greater, and full on-demand was not expected to be possible for many years to come. “We talked a lot, all the way through this period...Phase Three was seen to be somewhere about 2020” (Fairbairn Interview, 2014). Ageh and Lavender however were among the first to recognise that issues such as slow connection

speeds and network capacity could be addressed by the use of peer-to-peer download technology, so that Phase Three might already be a practical proposition in 2003 (Olivier Interview, 2014; Thompson Interview, 2014).

A culture of innovation

How was it that the BBC was the first to develop long-form video streaming as a practical proposition? My interviewees describe the BBC in the early 2000s as a fertile environment for digital media innovation. The BBC had traditionally prized creativity and innovation in content and format in television and radio (Schlesinger, 2010). In chapter three I outlined how BBC Research and development, with government encouragement, had developed innovations such as NICAM stereo that had benefited the whole broadcast industry. The BBC had also led in the field of popularising computing, from the BBC Micro in the 1980s to the launch of the successful BBC Online, which by the early 2000s had become the leading content site in Europe (Graf, 2004; Guardian, 2002).

Operating under the terms of the 1998 DCMS licence (Graf, 2004, p.17; Dean, 2006, p.19) from around 2000, BBC New Media embarked upon a period of expansion and experiment. With the backing of the new Director-General the department benefited from a rapidly rising budget and was given the freedom to develop new projects: “What I decided when I got there - this is the early days of what I call the digital revolution ... we ought to get ahead; and I therefore overspent, deliberately” (Dyke Interview, 2014).

The success of Freeview had also given the BBC a new confidence in its role as an industry-leading innovator.

“That sort of opened the floodgates, and that was the real watershed and nothing was the same after that. The BBC was suddenly full of confidence and ambition.... I think the evolution of the iPlayer was sort of part of that. The BBC needs to be doing these things; nobody else will do it. We need to be at the forefront of technology, we need to save the industry.” (Thickett Interview, 2014)

Fairbairn agrees about the effect of Freeview:

“I think it absolutely did change the climate for the BBC and I think it meant that when we did come out with some of those big ideas, Digital Curriculum and so on,

again they were credible because we demonstrated what we could do when we really put our mind to universal marketing and we also showed we were good at technology.” (Fairbairn Interview, 2014)

The culture of the BBC’s digital media developers and producers at the time was of an almost missionary commitment to innovation. There was a sense that the traditional model of television based around broadcast channels would soon be overtaken by on-demand. Roly Keating then Head of BBC2 recalls that the BBC:

“Was fertile with ideas ... the web community at the BBC that saw all traditional broadcast paradigms coming to an end and we were moving into wholly personalised, on-demand, customised form of multi-cast communication and so on. So all of those ideas and challenges were in play, and a good thing too, it’s a sign of a creative organisation.” (Keating Interview, 2014)

A new rights framework

However the technology behind the iPlayer was not particularly innovative nor was it the key factor, according to Ageh: “A bunch of kids with a Raspberry Pi could have built it” (Interview, 2014). As important was the establishment of a new framework for rights. “Well the nightmare, but the great achievement of the iPlayer is really as much if not more an achievement of rights negotiation as much as it is of technology” (Keating Interview, 2014). BBC Business Affairs had recognised the issue early on and began working in 2004 to clear rights wherever possible for on-demand services for all new programmes commissioned.

“It’s traditional within the rights arena that frameworks were agreed for 3-5 years before being refreshed - there are so many considerations for both parties which have wider knock-ons, without long term agreements in place the system grinds to a halt. In some ways leading the rights arena at the BBC is one of the most strategic jobs. We had to take an early view on many of the big strategic questions in our round of negotiations in 2004, before the iPlayer was even thought of. We negotiated our on-demand rights position with the independent production sector in 2004 and in 2005/6 with programme contributor rights bodies acting on behalf of musicians, writers, presenters, actors and other copyright holders. So, by 2006 we had cleared all the rights that we intended to for a BBC digital on-demand service.

These arrangements were refined to deliver the iPlayer as a service, which wasn't even developed till the back end of this period. Interestingly, ITV and Channel 4 took a different approach to the BBC, they launched their services into the market ahead of the BBC with the programming that they had managed to acquire rights for. It was clear to me and the Director General that if the BBC was going to launch a major on-demand service into the marketplace it had to represent the full range of the BBC's commissioned content. The iPlayer launched in 2007 and has certainly set the benchmark for amazing tech and usability, but its the promise of being able to catch up on the programmes you've missed is what consumers really love, and there's nothing more disappointing than not having that programme you might expect, hence delivering on the full range. We made some very big decisions ahead of the marketplace on the rights front at that time, which fortunately turned out to be the right decisions." (Samra Interview, 2014)

A decentralised structure

One further factor was structural. The BBC as an institution resembled what Mintzberg (2003, p.404) has identified as an "inefficient" decentralised structure typical of the "innovative organisation" to be found in the "creative industries." He contrasts this looser form of organisation with the traditional hierarchical bureaucracy theorised by Weber (1970, pp.196-244). The innovative organisation may have a "highly organic structure, with little formalisation of behaviour; specialised jobs based on expert training; a tendency to group the specialists in functional units for house-keeping purposes but to deploy them in small project teams to do their work" (Mintzberg, 2003, p. 406); and mid-level staff may enjoy a high degree of autonomy and personal discretion (ibid, p. 404). This does appear to describe the situation of Ageh who had sufficient autonomy that he was able to allocate budget for the project, even though it fell outside his remit (Thickett Interview, 2013; Ageh Interview, 2014). It also resembles the bottom-up manner of the BBC's first steps onto the Internet in the mid-1990s (Birt, 2002, p.469). However, although Mintzberg's analysis may fit New Media at the BBC, it does not explain how this innovation process is articulated within an organisation's formal hierarchy and its strategy and decision-making process.

Institutional resistance

The paradox of the BBC is that at a strategic level it had anticipated on-demand and established an environment that promoted digital media innovation, but the relationship

between the two processes appears to have been dysfunctional. From the start there was institutional resistance, which helps explain why it took Ageh and Lavender so long to connect with someone prepared to back the project. The proposal met with concerns about technical feasibility and viability even from New Media colleagues (Ageh Interview, 2014). As the Department's former strategist Jeremy Olivier remembers: "I was quite sceptical actually at first, although I was converted ultimately, satisfactorily... Tony and Ben did something much more substantial than come up with an idea, in a sense they were kind of visionaries" (Interview, 2014).

There was scepticism from the BBC Research Department about the very idea of watching programmes online according to one former New Media Executive.

"They just couldn't see why someone would consume it [video] on a computer, or God forbid we should have ever mentioned the phone. They just would not believe that there was a future in which moving image was consumed on anything other than a traditional television, in a traditional context of television. And so that gives you a sort of sense of the environment, if you like, that we were operating in." (Le Dieu Interview, 2014)

Some executives and programme-makers saw a threat to their budgets and resources. One fear was that the proposal would entail the BBC entering new and untried ways of negotiating rights for contributors, programme acquisitions and independent producers. An equal concern according to colleague Bill Thompson was the threat to the traditional model of television production and distribution, taking control of scheduling from the broadcaster and putting it into the hands of the viewer. He draws a parallel with the Catholic Church:

"In this case the priests are the commissioners, the Pope is the head of television, the controller of television, they make the decisions about the stuff, okay... Then somebody nails – Tony Ageh – nails theses to the church door and they say we will actually stream to people's computers, we will make people watch this stuff on their desktops at home not on televisions in the same way and your problem is you have to re-write the bible, you have to re-do new services. Everything you think you know, your agreement, you need a whole new cast of priests. The Catholic

priests either have to convert or you have to burn them, is a painful transition. And so what you get is... they push back shall we say.” (Thompson Interview, 2014)

Simon Nelson reports similar concerns being voiced within BBC Radio when the RadioPlayer on-demand service was first proposed in early 2000 (Interview, 2014). Danielle Nagler, a member of the Charter bid team concurs with the view that the television side of the BBC felt itself threatened:

“ iPlayer from the start ... was seen as those techie boys treading on our toes suggesting that they can do something with our content, which previously we [TV] have owned in its entirety, and scheduled, and so on ... it was the first project that I can think of that properly tried to bridge from technology into a content area, and sort of said, actually, the supremacy of television channels, and the holding of television channels in their own space, may not work in the future. And so it created a lot, there was a lot of internal tension.” (Nagler Interview, 2014)

These accounts echo the resistance to multiplatform found by the research of Bennett and his colleagues who describe new media professionals at the BBC as seeing themselves as holding the key to the future, as opposed to programme makers who didn't “get it” (Bennett et al., 2012; Bennett, 2014).

However there are crucial differences between my findings and theirs. They attribute the demise of BBC multiplatform in part to resistance from production culture whereas they report that on-demand and the iPlayer were more readily understood and accepted by programme-makers (Bennett et al., 2012). My findings suggest that: a) there was also strong initial resistance to the iPlayer; and b) this did eventually give way to acceptance, but only when the project had been backed by the BBC Executive, then launched and seen to succeed, and moreover the fears that it would disrupt the dominant television production model had proved groundless. As Bennett and colleagues (2012, p.51) quote an anonymous interviewee as saying: “There was a moment when Vision as a whole gave a huge sigh of relief when iPlayer came out [and they said] ‘I get the web, I get it, it's like telly’”.

The boundary between commercial and public service

The major issue the BBC had to negotiate with the iPlayer was the familiar dilemma: that of legitimacy for new media services and where to draw the boundary between what should be a commercial and what a public service proposition. Did the iPlayer promote Public Value, or should on-demand be left to the market to provide? This issue affected the entire course of the development of the iPlayer.

Even before it was put forward in the BBC's Charter renewal bid, BBC Worldwide, the Corporation's commercial division, argued that iPlayer was a potentially valuable commercial property and should be under its control. The iPlayer did not fit neatly into the matrix devised by Carolyn Fairbairn to distinguish between public service and market propositions online as it spanned all genres:

“Even if you were doing a personalised online news service where you could tailor it, your own news from your own area, your own street, one to one, it was still publicly funded. One-to-many; wouldn't even give it a thought. So once you got to entertainment we got to the stage here where we started saying, “On-demand services in entertainment should be commercial.” (Fairbairn Interview, 2014)

BBC Worldwide was concerned that making programmes available online might jeopardise DVD sales, and in the longer run, the opportunity costs of streaming rights both for current television programming and for the older archive material. The rights issues and the question of ownership of the project became intertwined. The idea had originated in New Media; BBC Worldwide was concerned to protect its interest; and the Television service, as the provider of the content at the heart of the proposition, was also concerned.

“There was a long and agonising debate about how a meaningful line could be drawn to distinguish the beautiful but orphan archive from the commercial properties, which Worldwide was entitled to continue to exploit...Let me put it this way, in principle, if it's economically clear, that is to say there's enough consumer value, demand, then it's kind of commercial, but by definition there's no programme which is simultaneously worthwhile pulling out of the archive given the current rights frameworks in place and not a candidate for Worldwide to exploit.” (Olivier Interview, 2014)

The dispute ended with the iPlayer as a public service proposition and New Media still in charge.

However the issue then returned in a dispute over the question of the length of the rights “window” i.e. how long programming would remain available on the public service iPlayer, and at what point it would become available for BBC Worldwide or any other commercial company to exploit as a DVD, streaming video or download. Rights were a difficult issue for the BBC. All material whether sourced outside the BBC or made by in-house production was subject to copyright restriction – both programme rights and contributor rights. Traditionally broadcasters and rights holders gave permission to use material for a single broadcast, after which further value was created from commercial exploitation through DVD sales or secondary market sales - either through BBC Worldwide as a distributor or a third party distributor. An on-demand proposition such as the iPlayer would shift this “value” dynamic. The BBC would not only be seeking to acquire more rights, those extended rights could have an impact on the commercial returns from secondary exploitation. Some felt the public interest would best be served by the maximum possible period, whereas the commercial interest, represented within the BBC by Worldwide, was anxious to restrict it as tightly as possible. This posed a new set of issues for the BBC, according to Bal Samra:

“This was all very new thinking, up until this point the BBC’s public service remit was focused on commissioning of new original works for Licence Fee payers through a single form of distribution - linear broadcasting channels. This technological change required the BBC to respond to some very big strategic questions, which up until this point weren’t necessary. Did the public service BBC extend to digital access in any case or was this a commercial service, if public service did extend to digital access, then how much free access was reasonable to deliver to licence fee payers for these original works that they had majority funded? And of course, all of this had to be balanced up with the costs of acquiring these additional rights, the negative impact it might have on the commercial revenues generated for the BBC and the copyright holders through secondary exploitation. But this wasn’t just a BBC consideration, the market impact it would create with consumer expectation was another factor, and the knock on impact it might have on the economics of others in the market, such as ITV, or Channel 4. So there were a number of very big conversations about all these issues, which in turn established

the BBC's windowing arrangements which have evolved to where we are now.”
(Samra Interview, 2014)

According to Chris Woolard, the Deputy Director of the Trust:

“The original iPlayer proposition...started with a presumption that it was every programme possibly available, including all new programming, essentially forever. That met an end quite quickly inside the BBC I think because ...you could easily see that that was the end of BBC Worldwide, certainly the video business, within about five years and would have a significant impact on the wider secondary market.” (Woolard Interview, 2014)

As discussed earlier, this issue was initially settled within the BBC with an agreed seven-day window for public service, and in that form it was included in *Building Public Value*.

Government policy objectives

The desire to help its major stakeholder, the government, achieve certain policy objectives was a further factor in the adoption of the iPlayer and on-demand proposals and their inclusion in the BBC's Charter renewal bid. The government was keen to see the BBC help it with making the switchover to digital television, bridging the digital divide and encouraging the take-up of broadband.

“Why did it get into *Building Public Value*? Because it was the next era of driving digital television. I remember thinking there were all sorts of ways in which we thought it could be used for very demonstrably public value purposes, educational, news and so on.” (Fairbairn Interview, 2014)

As with Freeview, the iPlayer held out the prospect of giving audiences a counterweight to Sky, an objective shared by the government and the BBC, as New Media Director Ashley Highfield intimated when he gave a public presentation about the iMP, describing the ability to download and share BBC video as “a killer combination that I believe could undermine the existing models of pay-tv” (BBC, 2003a).

The iPlayer and on-demand services also provided credibility with the government in terms of its public service remit. They promised to help the BBC maintain its obligation to

provide universal access to its programmes and services, a source of both competitive advantage and institutional legitimacy for the BBC. With the rise of the Internet and digital television platforms the value chain had grown more complex, with the emergence of new gatekeepers who could jeopardise universal access, as John Birt had recognised. The iPlayer had the potential to help the BBC maintain universal access and relevance in a post-switchover world by enabling the BBC to bypass these new platform owners and go direct to their audiences. According to Richard Deverell: “The iPlayer and the ability to directly connect with the consumer was very, very important” (Deverell Interview, 2014). Carolyn Fairbairn agrees: “The ability to create Public Value... depends crucially on universality” (Fairbairn Interview, 2014).

This issue of taking credit, or branding, was also a motivation behind the BBC owning its own online video player, rather than using one of the commercially available alternatives. There was a concern that the disintermediation made possible by catch-up could mean that the persistence of channel brands might be less secure, and the BBC might no longer get credit for its programming (Meikle and Young, 2102; Whalley, 2013). Director of New Media Ashley Highfield put it bluntly: “if our audience don't appreciate that the content comes from the BBC, they're going to be less likely to want to pay the Licence Fee” (BBC, 2007).

“There was a bit of a sense of, if people move away from television sets, this provides a way for them to watch. There was a strong feeling that, again... many of these things kind of come down to a battle for gateways – so iPlayer, in a sense, was about, we don't want our content just offered through, I forget what Sky's portal at the time was called – we don't want other people to mess with our content.” (Nagler, 2014)

Consumer appeal

Legitimacy in terms of Public Value also meant achieving a balance between delivering public service benefits for the government and providing programmes and services with a strong audience appeal. The iPlayer offered the prospect of helping to keep the BBC in a strong competitive position within broadcasting not only by retaining universal access, but also by improving the BBC's reach and share of the audience and by addressing changing audience expectations. “It was just a very good idea and it would mean more viewing of

BBC programmes and it would make them more available. I started from the basis all the way through that the public have already paid for this” (Dyke Interview, 2014).

Fairbairn agrees:

“There was also an entirely competitive element to it which was we didn’t put in *Building Public Value* but it was absolutely there. I mean the BBC is a highly competitive organisation, it has to be, it’s swimming in a competitive sea and I think that we saw this as a way of maintaining the BBC’s share and reach in a world that was going to go in this direction...I think I always knew that actually it was going to be catch up with EastEnders was going to be the thing that people really loved. Can you justify that on public value grounds, well I think you can, but it’s not an instinctively easy argument to make.” (Fairbairn Interview, 2014)

Fairbairn is careful to distinguish between the strategic considerations that weighed most with the BBC leadership and the way the BBC made its case in its Charter Renewal bid:

“I would say that the BBC’s most successful strategic endeavours always worked through both prisms. They work through the prism of the political prism and the public value and they also work through the consumer prism of - is this actually a fantastic service that consumers want. This is also a competitive perspective, ensuring something that is sustainable against the competition and I suppose what I’m saying is that Building Public Value will necessarily exaggerate the public prism, whereas in the strategic process within the BBC we were very alive to competitive pressures and we were alive, increasingly, to consumer need and they are not always the same as public value.” (Fairbairn Interview, 2014)

The BBC’s first trials of the iMP as it then was in 2005 and 2006 confirmed its consumer appeal (BBC 2005; 2006a; 2006b). In addition, consumer market research based on existing video recording behaviour suggested that the overwhelming majority of programmes were viewed within the first seven days, or not at all. Happily this fitted with the internal settlement reached between New Media and BBC Worldwide, and the industry view. The trials also showed that there was a marked preference for streaming over download.

The enthusiastic response to the BBC RadioPlayer, then boasting an audience of six million a month listening to more than ten million hours of BBC radio online with take-up rising by 55% a year, further bolstered the case for on-demand (BBC, 2003c; 2005). In contrast, multiplatform proposals tended to attract a more modest take-up.

The Public Value of iPlayer

The BBC case was that through this balance of public service objectives and audience appeal the iPlayer offered a good example of Public Value according to Danielle Nagler, then the Director-General's Chief of Staff:

“Public value, I think the arguments, if you like, were prescient. So it's a sort of, we believe that in the future this is how people will want ... a significant number of people will want to consume their programming. If we invest a hundred pounds of licence-fee money in making x-programme, then the largest number, you, the more people we can get that to and make that accessible to, and usable for, the better – because it then delivers greater public benefit.” (Nagler Interview, 2014)

Beyond Television, the strategy exercise led by Richard Deverell, suggested that there was a strong business case too. The BBC was facing rising costs due to its increasing commitment to new content for its portfolio of digital channels. It was thought that on-demand could prove more cost-effective and give better value-for-money:

“It was a transformational change for the BBC and I argued that it offered extraordinary opportunities. We could raise the quality of what we did. We could raise the contribution, the value to the consumer of what we did, and we could do both on lower budgets, because we could make much less volume. But it required a fundamental change in our rights model, our commissioning model, our channel line-up etc. This is the point at which Mark Thompson goes wobbly, because I said to him, ‘The big idea here, Mark, if you want a big idea for your time as director general is that the purpose of the BBC is to make available, within the UK, to all consumers, on demand, in perpetuity, everything we've ever made. Full-stop, that's the big idea.’ (Deverell Interview, 2014)

According to Danielle Nagler:

“There was a strong feeling around the rate at which online markets were moving, this concern around an erosion of television viewing, that finding a way to share programmes after their broadcast date was one of the most important things that we needed to do... And so it sort of gathers a head of steam, and it fitted very much – you know, Mark had a very strong view, I suppose, around... what I would distil as kind of two key themes – one around quality, and one around what he insisted on calling Martini Media. So the anytime, anywhere – and iPlayer was the Martini Media bit of the BBC... It was a big priority for Mark in terms of how he saw media going. I think also, you know, he was mindful of sort of ... I want some big things as my legacy at the BBC, and he saw iPlayer as having the potential to be that.” (Nagler, 2014)

When it came to making a decision about which one service should be submitted for the first Public Value Test, there was little hesitation in choosing the iPlayer. It appears that the Director-General Mark Thompson did become convinced of the importance of focusing BBC efforts on delivering on demand. In March 2006 he spoke of the proposal then known as MyBBCPlayer in these terms:

“MyBBCPlayer is sometimes talked about as if it was a major new departure for the BBC. I do think it marks a watershed – a major expansion of choice and functionality and a recognition that on-demand is going to become an important – perhaps ultimately the most important – way in which we will put great content in front of the public.” (BBC, 2006a)

In particular it was felt that on-demand could justifiably be framed as a natural and legitimate extension of the BBC’s mission, as public service broadcasting by another means. In a speech in March 2006, entitled “BBC 2.0: why on-demand changes everything,” Director-General Mark Thompson set it firmly within the terms of its traditional remit: “On demand is about making existing content far more available to the people who paid for it in the first place. It's a new means to achieve an end which has always been part of our mission” (BBC, 2006a).

When the Director-General described on-demand delivery in this way he was repeating the assertion earlier expressed in *Building Public Value* that in so doing the BBC was an institution that “maintains the ideals of its founders, but a BBC renewed to deliver those ideals in a digital world” (BBC, 2004a, p.3). He was addressing an external audience, not

least the government, but also an internal audience, hoping to allay their fears and normalise this redefinition of public service with the institutional culture of the Corporation. It was an attempt to legitimate the BBC's new direction as a natural continuation of the old remit and to institutionalise this new definition. As Moe (2011, p.52) has pointed out, this dilemma was shared with other PSBs. According to the BBC's former Head of Strategy, Carolyn Fairbairn, there may have been a distinction between the public service justification for on-demand and the consumer rationale:

“If you want to have a slam dunk licence fee case you probably want to argue that this is just a continuation of the past, we're just doing the same thing but distributing it differently and yet, for consumers, you want to build it up as being very different. You know it's fantastic you can now watch whatever you want whenever you want on the go, etc. and funnily enough I do think it is a bit of both. I think both things are true. This is simply BBC content being distributed in a new way, however the consumer experience is a revolution.” (Fairbairn Interview, 2014)

6.5 The first Test: legitimacy, consumer and citizen value

As we have seen in the previous chapter, the main obstacle to the BBC launching new services was the growing pressure of marketisation, which took the form of increasing challenges from commercial rivals on competition grounds to the BBC's right to launch new digital media service proposals. These concerns had been institutionalised in the Public Value Test. Therefore in proposing the iPlayer and on-demand services for the first such Test the BBC was taking a calculated gamble that this proposal would be seen to be legitimate according to the new definition of Public Value.

The BBC's concern throughout the Test process was to achieve legitimacy through a successful balance between adverse market impact and Public Value benefit, i.e. a resolution of the tension between its traditional public service remit and the logic of marketisation. The stakes for the BBC were high. Throughout the Test process the BBC had to negotiate the vexed boundary between what it could justify as public service and what it should leave to the market. It was simultaneously seeking to legitimate both its drive into on-demand provision, and the new regulatory mechanism it had devised. The

way it sought to do so came to revolve around the attempts to measure and balance “consumer value” against “citizen value.”

First however came the Ofcom Market Impact Assessment designed to ensure that the proposal had no adverse commercial effects. There was a fear on the part of commercial rivals that free programming from the BBC might inhibit the growth of an emerging market for digital downloads, according to Chris Woolard of the BBC Trust: “There was a feeling of, certainly in the market, ‘Here goes BBC again, completely killing off the opportunity for anyone else to enter’” (Interview, 2014).

However despite this concern, actual industry objections were few, and with some minor qualifications Ofcom reported that the iPlayer had successfully passed the Market Impact Assessment. Its judgement was that contrary to commercial concerns, the proposal would not only have no damaging impact upon the market but might actually help create commercial opportunities: “The proposed services are likely to have a considerable effect in expanding this new market, bringing substantial public benefits as a consequence” (Ofcom, 2007).

The next challenge was the Public Value Assessment to be conducted by the BBC Trust officers. When it came to establishing the Test criteria and the ways to measure what the four indices of Public Value meant in practice the BBC once again took the initiative and set the agenda. In so doing it took it upon itself to refine its definition of the meaning of public service online. The latitude it was given by the BBC Trust in choosing the kind of evidence to put forward helped it in this. In guidance published in August 2007, after the first Public Value Test, the Trust indicated that as measures of Public Value it would accept evidence from sources including “but not limited to” forecasts of demand, results from trials and pilots, qualitative and quantitative research, consumer research, deliberative juries, market research, and expert advice (BBC Trust, 2007c, p.15).

To prepare its evidence for this first Public Value Test, the BBC strategy team worked once more with consultancy Human Capital. *Building Public Value* had talked of providing both “consumer” and “citizen” value but acknowledged that despite the promised rigour, while the former was amenable to measurement there would remain a subjective element in assessing the latter.

“Citizen value – and to an extent, individual value – will always be a judgement. The BBC can and will put together a body of evidence to help to make that judgement, but it will never be possible to develop a set of equations to deliver the answer.” (BBC, 2004a, p.85)

Announcing the Graf Review, Secretary of State Tessa Jowell had said: "Public service broadcasting serves people in their role as citizens as much as it serves them as consumers. It gives them the information that people need to understand public affairs, both to observe but also to participate if that is what they want to do" (DCMS, 2003d). Lunt and Livingstone describe the manner in which linking of consumer to citizen as a new way of conceiving the audience had been central to the definition of the core mission of the new regulator Ofcom established that same year; and how the meaning of these terms were both contested and shifting at this time (2012, pp.41ff).

“Consumer value”, which is also provided by the commercial market, was thought to be relatively easy to define. According to Collins: “As long as viewers and listeners listen and watch in sufficient numbers and express sufficient appreciation (and conventional audience research techniques are adequate to assess this sort of user behaviour and sentiment) then it can reasonably be assumed that the task is being done” (Collins, 2006, p.32).

“Citizen value” however was altogether harder to establish (Ibid). The challenge for the BBC Trust was to find measures that would withstand challenge and that could gauge the value to the public not only as consumers, but also as citizens. Reach was defined as the range of different demographic types who would use a new service. Quality, according to the Trust’s Deputy Director, Chris Woolard, was defined as something that met a standard that would be expected from the BBC (2014). According to Simon Terrington from Human Capital the aim was to capture something else not easily measured, distinctiveness.

“There was a big movement to say ‘This isn’t just a calculus,’ this is Mark Thompson’s words, ‘It’s not just an equation, you can’t just crunch the numbers and make decisions, it’s more fluffy than that, it’s more multidimensional, it’s more of a judgement, because if you could just crunch the numbers, it can’t be like that.’ I think he’s right, and specifically I think it was Byford [Deputy Director-General] or someone else who said ‘The key test is distinctiveness,’ in other words, it’s not just about whether it passes this sort of piece of market research or consumer

research or citizen research or whatever it is, it's got to be distinctive, so it's got to be good, it's got to be quality, it's got to be distinctive." (Terrington Interview, 2014)

As already noted above the question of distinctiveness became one of the sources of difficulty for the ill-fated BBC Digital Curriculum initiative.

Value for Money was measured against benchmarks already developed for BBC radio and television as cost per user hour (Terrington Interview, 2014). As also noted above the *Beyond Television* strategy exercise had concluded that on-demand would be cost-effective and make for savings.

Thus the substantive measures of reach, quality and value for money were predominantly either of consumer satisfaction or acknowledged to be based on subjective judgement. That left the burden of assessment of "citizen value" to the final measure of impact. Chris Woolard saw this as: "The really hard one to measure. The test for us was whether you could begin to trace through potential benefits for people" (Woolard Interview, 2014).

Danielle Nagler from the BBC bid team:

"You really can't measure it in a particularly tangible way...It's really difficult to measure the outcome of someone seeing, say, a range of history programmes on TV as they're growing up. I mean, how do you determine whether or not that changed their lives or not." (Nagler Interview, 2014)

One metric favoured by Ofcom, was to measure the financial value people placed upon the particular service, as registered by their comparative willingness-to-pay.

"I guess the way you incorporate public value theory into that is to say that your or my willingness-to-pay for the BBC is a measure of our estimate, not just of the personal value we get from the BBC but the value we think we're attributing to it as a public good more generally because of its existence value in the world. So that's I guess how you might, if you were being reductive about it, reduce the complex debate over the mix of market intervention, commercial benefit, public benefit, into a sum of money [laughs] called roughly 145 quid, and it has to be an average thing,

and of course people's willingness to pay or attribute value to the BBC varied by class, by region, all those debates." (Keating Interview, 2014)

To support its case the BBC commissioned willingness-to-pay research from Human Capital. Simon Terrington who devised and conducted the study felt this too could be seen as a consumer measure and therefore a potential trap:

"That's the question that Sky would ask because it's a consumer question, and the BBC can't just have that metric because then the BBC's going to look like Sky. If the BBC maximises that metric it'll be the same as Sky, which it can never be."
(Terrington Interview, 2014)

So in addition to willingness-to-pay questions, Human Capital developed and conducted what were known as "deliberative tests" with six panels comprising a total of 120 respondents to measure the value a service would deliver to society as a whole through its contribution to the BBC's public purposes and priorities. Respondents put the proposed on-demand service ahead of all but the most popular BBC services including BBC2. One finding from the deliberative tests was particularly encouraging: on-demand was overwhelmingly seen as a legitimate service for the BBC.

"When we were looking at various on-demand services, we asked people at the end to vote and of 100 people, 100 out of 100, said the BBC should launch them, which is unprecedented. I mean, there was really... even people who were cynical about the Licence Fee, and there was no skewing of it, that's what people said."
(Terrington Interview, 2014)

Collins among others has criticised the Human Capital research as a departure from Reithian principles.

"It bases its conclusions and thus the case it makes for the legitimacy of the BBC on what the BBC's users (for whom the respondents are a proxy) say. It deems them responsible and competent judges of their own and society's interests.... In this respect the BBC reflects a general problem of public sector bodies – patients are not always the best judges of their own interests (if they were doctors wouldn't

be needed), students are thought (whether correctly or not) to know and understand less than those who teach and assess them.” (Collins, 2006, p.37)

It is clear from the evidence presented by Human Capital on behalf of the BBC that their respondents found it difficult to disentangle consumer from citizen benefit.

“The BBC’s proposed on-demand offerings will deliver high citizen value because they will make the BBC’s existing content – through which its public purposes are delivered – more widely and easily available. That is, the consumer value of on-demand offerings are explicitly linked to their citizen value.” (BBC Trust, 2005, p.2)

Despite the promise of a rigorous practical test (BBC, 2004a, p.8) the difficulties inherent in trying to capture Public Value with objective measures appeared to remain. Lunt and Livingstone (2012, p.186) note: “it is often easier and more straightforward to define, measure and take account of consumer interests than citizenship interests. While Lee, Oakley and Naylor (2011, p.293) conclude: “The principal identifiable difference between the PSB-era and the BBC’s espousal of public value within the test appears to be the greater use and reliance on consumer research techniques.” Some interviewees felt that there would always be a subjective element to the Test criteria, among them Richard Deverell, then Head of BBC News Interactive, and a contributor to *Building Public Value*. “Can we be confident the Public Value outweighs the market impact? These things are highly subjective. Public value, weighing market impact, it’s not pounds and ounces. It’s hot air and rhetoric” (Deverell Interview, 2014).

Although this first trial of the new Public Value criteria was successful, the issue of where to draw the line between commercial and public service remained a vexed one for the BBC. On at least two further occasions the BBC’s ambitions for development of the iPlayer were thwarted. Project Kangaroo, a proposal to exploit the commercial potential of the combined video libraries of the BBC, ITV and Channel 4, through one seamless online portal, was rejected by the Competition Commission in consultation with the BBC Trust as being anti-competitive (Competition Commission, 2009). The BBC Trust also rejected a proposed “public service iPlayer” for use by other public service bodies beyond the BBC including arts organisations and the other PSBs, on the grounds that it would combine public service and commercial elements in one place (BBC Trust, 2009b).

6.6 How effective a strategy?

My third research question concerns how effective or successful the strategic development of the iPlayer and on-demand services was in terms of the BBC's objectives at the time. The most important of these can be summarised as institutional survival. It was hoped that the iPlayer and on-demand would help the BBC survive in two ways: firstly by enabling it to remain relevant to audiences, and so secure its competitive position within the broadcast field. Secondly, it was thought to be the proposal most likely to pass the Public Value Test because it could be justified as a legitimate extension of its public service broadcasting remit and therefore less likely to be challenged on competition grounds. In this sense the BBC was counting on the Public Value Test to allow them to launch the iPlayer, and counting on the iPlayer to validate the Test process, which it hoped would enable it to launch further new services.

The iPlayer and on-demand helped the BBC achieve both sets of aims. It enhanced the BBC programme proposition by increasing audience share and it also helped increase access from some audience segments, in particular the young. Although it was not the first such service from a broadcaster, it was the first to get all the elements right including the interface, rights framework, content and timing. By 2015 the iPlayer had become a flagship BBC service dealing with more than three hundred million programme requests a month, and rising 18% year on year (BBC, 2014b). It was described as "the most positively-viewed brand in Britain" (YouGov, 2013). It had also succeeded in making BBC programming easier to find. It was available on more than six hundred and fifty devices, app stores and operating systems, including smart phones, games consoles, tablets, and set-top boxes; and possibly more important in terms of impact, Internet connected TVs (BBC, 2012; BBC, 2013). On-demand has become a taken-for-granted and popular means of delivery for BBC broadcast output. In 2015 seventy-seven per cent of respondents to one survey reported that they had used catch-up TV in the previous month (KPMG, 2015, p.4). It has also proved influential. It was a decisive stage in the transition from public service broadcasting to public service media, and it has fulfilled Ofcom's judgement by opening up a market to new commercial entrants such as Netflix and Amazon Instant Video.

The success of the iPlayer enhanced the BBC's reputation for innovation and for some time it gave the BBC a commanding lead over the competition. It was not until 2012,

almost five years after the BBC, that ITV for instance, overhauled its digital media production to focus on its video player (Bulkley, 2012).

“The BBC was early in this and I think that brought tremendous benefits to it, tremendous benefits. I think if someone had said back in 2000, ‘In ten years’ time, the idea of a public service broadcaster on the Western edge of Europe would be leading the world in terms of on-demand provision of AV content,’ I don’t think that would have been a credible thing to say. But I think it’s broadly true. You look at the big American networks with their huge resources and I think the BBC in many ways beat them to it. John [Birt], Mark Thompson and others deserve a lot of credit for that.” (Deverell Interview, 2014)

Equally important for corporate survival the iPlayer and on-demand service helped validate the Public Value Test process. At a time when competitors were making every effort to rein in the BBC’s digital media expansion, the Corporation was able to present its on-demand services as a legitimate BBC activity, simply: “a new means to achieve an end which has always been part of our mission” (BBC, 2006d). As noted, the Test has become the general framework for service and new service approval. The first Test operationalised a new definition of what was acceptable as public service online, has proved robust and has not been met with a significant challenge. For the time being it has institutionalised a successful resolution of the tensions between the institutional logics of public service and the market, and enabled the BBC to continue to launch new services without the cumbersome, protracted and politicised process that was the norm before.

However the development has not been an unmixed blessing for the BBC. It has had unintended consequences, short and long-term. Even though some competitors were slow off the mark, the BBC’s competitive advantage has been eroded while the new online market entrants such as Netflix are competing for rights and audience attention, moving up the value chain into production and pushing up the price of content, both original and acquired (Williams, 2014). This has further accelerated the tendencies towards audience fragmentation and decline. The very success of the iPlayer has led to the disintermediation of content, disaggregation of channels and conflicts with channel brands. Also, although the iPlayer had the impact of a disruptive innovation, it is hard to identify a single similarly radical innovation of an audience-facing service on the part of the BBC since. Most of the

BBC's technological advance has come through standardisation, enterprise level platforms and incremental improvements to iPlayer.

Perhaps the most important effect has been that the Test process, which provided such a positive result for the iPlayer, has institutionalised a definition of public service that brings market considerations into the heart of the BBC's remit. It is far from clear what all the long-term effects of this will be, but some can already be seen. The redefinition of public service media is more marketised in both senses identified by Karppinen and Moe (2014). This definition tends to favour developments with obvious consumer appeal such as the iPlayer. From my respondents' accounts of the development of the Test criteria it is apparent that while such "consumer value" is relatively easy to measure, this is not the case for "citizen value" which is more elusive and resistant to definition. The risk is that what cannot be measured tends to be undervalued, or ignored. Whereas the consumer appeal of the iPlayer is clear, its Public Value was judged to come from its delivery of the BBC's sixth Public Purpose, i.e. its "citizen value" came not in anything intrinsic to the service but by making the BBC's existing public service content, radio and television, more easily and widely available and for longer (BBC Trust, 2007a).

One test of the effects of this more marketised definition of public service on the BBC may come with the next negotiations over Charter renewal. Already at the time of writing the preliminary manoeuvres are under way. Two developments suggest that there continue to be pressures to further marketise the BBC remit. In a speech the Director-General Lord Hall announced a new strategy, *Compete and Compare*, which would bring "the spirit of the entrepreneur and the pioneer to the BBC" by "going to go further than we have ever done before in opening the BBC to more competition", including a proposal to remove guaranteed quotas for BBC production (BBC, 2014a). There are also plans to go further and "hive off" the bulk the of BBC's programme making departments (Conlan, 2015).

As some interviewees noted, overreliance on consumer measures for Public Value can undermine the distinctiveness of the BBC, and the rationale for the Licence Fee, already weakened by the earlier rise of multi-channel and digital television platforms. As sections of the audience begin to spend more or all of their time viewing BBC content online via the iPlayer it's been argued it may make sense to replace the Licence Fee with subscription. This proposal was aired in 2014 in relation to the Charter renewal debate (Plunkett and Sweney, 2014; Hewlett, 2015).

“If anything that revolution was and is always a bit of a double-edged sword in terms of the arguments around the BBC and public funding through the licence fee, because again it would always open a door to some set of arguments claiming that because you can get television through a computer you therefore don’t need a licence fee.” (Keating Interview, 2014)

6.7 Conclusion

This section has summarised what the findings suggest about the answers to my research questions in relation to the iPlayer case study. Firstly: as with the Public Value Test, the process whereby the BBC developed and implemented the on-demand strategy combined elements of long-term planning with improvisation and opportunism; that is, it was both rational and emergent. The BBC in the late 1990s and early 2000s was an organisation that was pro-active in its approach to strategy and displayed considerable prescience in its strategic thinking, as evidenced in the Hever exercise. Also the BBC fostered a culture of innovation that delivered an unrivalled stream of innovative projects and services.

However there also appears to have been a significant disconnect between these two processes that might well have delayed or even prevented the iPlayer and a full-blown on-demand strategy from being implemented. Initial resistance to the proposal from programme-makers and television executives compounded this. It appears that it was only when the leadership gave the project its backing, and reframed it as a natural extension of the public service remit that it was accepted. At that point the organisation as a whole mobilised effectively to ensure its delivery, not least in the area of the rights framework. The iPlayer it could be argued was not the outcome of rational planning; it succeeded both because of and despite the BBC’s institutional character.

When we examine the factors that shaped this development from an institutional perspective, it is evident that the BBC benefited from its long-term planning for changes in media technology and audience behaviour; which had also led to its developing a culture of innovation helped by a decentralised structure with staff allowed a degree of autonomy, and motivated by a desire to use digital technology to find new ways to deliver public service. However there were countervailing forces, the lack of a clear structural articulation between strategy and innovation, and institutional resistance from some in the television division.

The key issue was legitimacy, i.e. whether the on-demand services should be part of the public service provision, or a commercial proposition; whether they offered Public Value (and could help achieve government policy goals); whether they were seen to provide consumer benefits to the audience; and whether they could be justified as a new way to deliver the BBC's traditional mission.

These tensions were evidenced first on the debate over whether the iPlayer should be a form of commercial service, run by BBC Worldwide, or a public service. Then in the discussions over the "window", the period during which programmes would remain online for free before becoming available for commercial exploitation. Finally these tensions were apparent in the balance between the "citizen" and "consumer" criteria during the devising and the application of the Test itself.

The fact that later proposals to develop the iPlayer such as Project Kangaroo were turned down by the Trust, may well have served to demonstrate the robustness and impartiality of the new system of governance and contributed to the legitimisation of the procedure.

When we ask how effective this strategy has been for the BBC, what is striking is again how successfully the Corporation, acting as the incumbent under threat within its organisational field, mobilised to re-establish its position. The iPlayer enabled the BBC to address new technological advances in content distribution and to adapt to changing audience expectations to retain reach and share. It has also proved influential within the broadcasting field, and in the transition from public service broadcasting to public service media. Moreover it enabled the BBC to achieve this within the new framework for legitimising new BBC services established in the new Royal Charter and institutionalised in the Public Value Test. In crafting the criteria for the first Public Value Test the BBC managed to achieve two key aims simultaneously: to ensure it could pursue on-demand which it saw, correctly as vital to its future relationship with its audiences, and to validate the mechanism which would enable it to continue to launch new services in future. The fact that there has been no significant challenge to either the iPlayer or the Test is testimony to how successful the BBC has been, not only in devising new media services, but also in resolving, for the time being at least, the tensions between the institutional logics of marketisation and the changing interpretation of public service online.

However the initial competitive advantage that the BBC gained through innovation has been eroded as other broadcasters have followed suit, while the BBC's own track record in innovation since the launch of iPlayer has consisted mainly in improving the iPlayer itself and extending its reach onto every relevant platform. The pressure of marketisation has continued to grow since its launch. The BBC enters a new set of Charter renewal negotiations with a pledge to become even more open to competition and the promise to remove the safeguards for in-house production. The implications of these changes for the development of digital media strategy and multiplatform production will be explored in the next chapter, a case study of the Creative Archive.

Chapter Seven: the Creative Archive and multiplatform

This chapter reports the findings on my second case study of BBC digital media strategy development, the BBC Creative Archive. This ambitious project, devised and announced in parallel with the iPlayer, proposed to put the back catalogue of BBC programmes online and to open it up for audiences to access and also to make creative use of for their own purposes. One of the features that distinguished it from the iPlayer, and that it had in common with many of the BBC projects from that period, was that it was a “multiplatform” project, i.e. one that encouraged active participation on the part of the audience, or users.

Although the Creative Archive was developed alongside the rise to prominence of the iPlayer, it was short-lived. It was an example of a more general trend as the BBC began to wind down this form of digital media production. This chapter is an opportunity to explore the factors at work, to ask why and to what extent the two developments were related, and to set the BBC’s adoption of on-demand services within the broader context of the development of BBC digital media strategy.

The research questions are firstly, what was the process involved in the development of the Creative Archive; who made the strategic decisions; then, what factors affected the decision-makers, what dilemmas did they confront; and lastly, how effective or successful were they?

This chapter is organised as follows: first I set out the reasons for making this a case study; then I examine the process of development of the Creative Archive proposal, its inclusion in the bid for Charter renewal and what happened after; then the factors that shaped the BBC’s thinking, firstly, how and why the BBC decided to develop and implement the Creative Archive project, and then why it later abandoned it. I examine how effective this strategy was in terms of the BBC’s objectives at the time, before concluding with a brief summary.

7.1 Why study the Creative Archive

My first reason for selecting the Creative Archive for a case study is to throw further light on how and why the BBC digital media strategy developed as it did during the period 2002-2007; and to ask to what extent there was a relationship between the BBC's adoption of on-demand and its retreat from multiplatform production.

At the start of this period, as noted earlier, the BBC was a powerhouse of digital innovation with a stream of proposals for new projects and services which aimed to exploit the potential of digital media to offer the audience interaction, co-creation and participation. The Creative Archive was one among many such innovative BBC digital projects. Also as with the iPlayer, the Creative Archive example calls into question accounts such as Christensen (1997) that view innovation as mainly a function of private sector insurgents.

The Creative Archive, like the iPlayer, was showcased as an exemplar of Public Value in the Charter renewal bid document *Building Public Value*. However as the BBC moved on-demand to the centre of its digital media strategy, another parallel process took place: the Corporation began a gradual retreat from this form of digital media production, and multiplatform projects and services such as the Creative Archive were either abandoned or closed down (Bennett et al., 2012). What seems to be the case is that once the iPlayer and on-demand became the dominant design a period of digital media expansion and experiment at the BBC started to close and digital innovation became more incremental, restricted to improvements of the new on-demand services. My findings suggest that even as the BBC Director-General Mark Thompson was announcing the establishment of a multiplatform department and declaring: "We need a BBC ready for digital and for 360 degree multi-platform content creation," when he introduced the outcome of the *Creative Future* exercise (BBC, 2006e), this process of retreat had already begun. The Creative Archive case enables me to examine this process at work and affords an opportunity to ask how far these two developments were related and why and what light this can throw on my research questions.

The term "multiplatform" has been defined in a variety of ways. For Doyle discussing newspapers, "a cross media or multiplatform approach to supplying content" means "to extend distribution to include online and mobile digital delivery as well as the traditional print product" (Doyle, 2014, p.2). For Bennett and colleagues it means: "interlinked

content across multiple platforms, including television, rather than simply VOD (video-on-demand) services launched over the Internet – such as BBC iPlayer and 4oD” (Bennett et al., 2012, p.10).

For the purposes of this thesis I would add to that another distinguishing criterion: in contrast to on-demand, when I use the term multiplatform to describe a project such as the Creative Archive I mean that it is central to the proposition that it aims to engage the audience in active participation, and encourages them to do so. The form of participation might vary from voting, through discussion and deliberation, to engaging in co-creation and co-production; and it might be for the purposes of engaging in entertainment, culture or current affairs, but the key distinction is active participation, as opposed to the more passive media consumption behaviour associated with on-demand. By this I do not mean to play down or ignore the potential for imaginative engagement by viewers or listeners to traditional one-way broadcast media, but I do wish to distinguish that from multiplatform media, which invite and are predicated upon an active form of engagement.

This potential for engaging audiences and to deliver public service objectives through active participation exemplified by the Creative Archive and other multiplatform projects is one of the characteristic features of the transition from public service *broadcasting* to public service *media* identified by writers such as Bardoel and Lowe (2007), Enli (2008), and Moe (2011). Enli (2008, p.109) for instance, quotes with approval *Building Public Value*’s emphasis on a “true creative dialogue in which the public are not passive audiences but active, inspired participants”. As Vanhaeght and Donders (2014, p.6) note this potential for participation has become a new source of legitimacy for public service online.

My findings on this case study also provide a means of testing the conclusions of one significant body of research on the subject of BBC multiplatform and its decline (Strange, 2008; Bennett and Strange, 2011; Bennett et al., 2012; Bennett and Kerr, 2012; Bennett, 2014). Bennett and colleagues identify a range of factors, such as the impact of the closure of the BBC Digital Curriculum, the shift of resources to the iPlayer, departmental turf wars, and the need to move from bespoke projects to more cost efficient standardised platforms in the face of shrinking budgets, however their primary interest is in the role of production culture. Their research suggests that while television producers resisted the adoption of unfamiliar multiplatform production processes, they embraced the iPlayer and

on-demand services because they seemed to present a simple extension of existing television practice by other means. Their research is contradicted somewhat by my finding, discussed in the previous chapter that the iPlayer too faced considerable institutional resistance when it was initially proposed. This finding suggests that in order to explain the BBC's retreat from multiplatform provision we need to look to other factors for an explanation.

My research on the Creative Archive is an opportunity to explore some of these other factors, and the relevance of an institutionalist perspective. I draw upon this approach to examine the importance of such factors as the role of legitimacy, the tensions between the institutional logics of public service and marketisation and the play of forces within both the BBC's internal field and the wider organisational field. My findings suggest that in practice it may not always be easy to distinguish which of these two concepts, institutional culture or legitimacy, is operative. However my research does indicate that a focus on the dynamics of the broadcasting field, in particular the conflict over the public service/commercial boundary, may have been more significant in shaping the BBC's strategic thinking in relation to the question of the viability of its digital media projects and services than production culture, and therefore more relevant to an understanding of the decline of multiplatform.

Finally the Creative Archive is an example of a development with strategic implications for the BBC, but one that failed, in contrast to the success of the iPlayer; and failure can be as revealing as success.

7.2 The development process

As with iPlayer the original impetus for the Creative Archive was not the outcome of a process of strategic forward planning. It began with an initiative from an Education executive, the Controller of Adult Learning Paul Gerhardt, who developed it for purely departmental reasons in early 2003. He felt that digital platforms offered the potential for the BBC to provide learners with the opportunity to access and use programmes and clips in the same way as they would expect to use printed materials in school or for homework. With his departmental head, the Director of Factual and Learning Glenwyn Benson, he took the proposal to the BBC Director-General Greg Dyke, who responded positively. "We

wanted his permission to budget a pilot for this and to see how far we could take it. He gave his verbal permission to do that.” (Gerhardt Interview, 2014).

Benson felt that Factual and Learning on its own did not have sufficient political weight within the BBC’s baronial departmental structure to carry though the proposal on its own. She proposed a partnership to the head of New Media, Ashley Highfield.

“It was never going to happen if it was only F[actual] and L[earning], you know what, as I say with the baronies, you know, you can't do that. So ... we went to see Ashley and said, we could do this with New Media, couldn't we Ashley? And he said yes.” (Benson Interview, 2014)

The outcome was a project team with two co-directors Gerhardt, and Paula Le Dieu, a producer from New Media. Both reported to their respective departmental heads.

“Then we would have someone who could negotiate the politics of New Media, and we would have someone who could negotiate the politics of the Learning and Education side of things.” (Le Dieu Interview, 2014)

The project received a boost when Dyke announced it at broadcasting’s major annual conference, the Edinburgh Television Festival.

“What you discover about the BBC is if you announce things, it might happen. Without announcing [them] a lot of things never happen. It’s that sort of institution. The people will always tell you why they can't do anything. It's one of those - it's not like a commercial organisation, so I decided to announce it and I'm not sure I knew how we would do it, I just knew that the idea would be key.” (Dyke Interview, 2014)

In an attempt to co-opt the competition the BBC set-up a cross-industry steering group composed of stakeholders and potential competitors such as educational publishers, public institutions like the British Library and the British Film Institute (BFI), and other archives and public service broadcasters.

“We addressed them head on. We went and talked to BBC Worldwide and ITN Source immediately. We explained to them what we were planning to do and we

invited both organisations to join the external steering group that was going to advise the future of the BBC Creative Archive.” (Gerhardt, 2013)

The team also established a BBC Creative Archive Licence (Creative Archive Licence Group, n.d.) modelled on the Creative Commons Licence, designed for a similar purpose by a legal team led by Lawrence Lessig of Harvard University Law School (Creative Commons, n.d.).

The project then suffered a double set back. First, the most senior person driving the project, Glenwyn Benson, left to accept promotion to head factual television commissioning; then, on the very day that the project was due to be presented to the BBC Executive Committee in January 2004, Greg Dyke resigned as Director-General.

“That really was the beginning of the end at that point. So we, I mean there was no question we were struggling. We were struggling to get money, so for all of the sort of public hoorah around it, internally the forces necessary to actually make it happen were not lining up at all.” (Le Dieu Interview, 2014)

However the project was revived after Benson arranged a lunch with Mark Thompson, then Chief Executive of Channel Four and seen as a strong candidate to succeed Dyke as Director-General. Not long after Mark Thompson did return to the BBC as Director-General, and the Creative Archive became one of the flagship proposals in the BBC’s Charter Renewal bid document *Building Public Value* (BBC, 2004a, p.63). This promised that members of the public would be able to mix, mash, quote and share copyright-cleared material drawn from the BBC archive: “a treasure-house of digital content, a store of value which spans media and platforms, develops and grows over time, which the public own and can freely use in perpetuity” (BBC, 2004a, p.5).

“When Mark arrived at the BBC in May, he kept talking about the Creative Archive at every initial meeting he went to and I was at two or three senior managers’ meetings. He’d walk in and say, “There’s some great ideas around like this Creative Archive!” So at that point, we thought we’re back on track because we’ve clearly connected with the new DG and his agenda.” (Gerhardt Interview, 2014)

With the publication of the Green Paper (DCMS, 2005) in spring 2005 the government signalled its acceptance of the substance of the BBC's Charter proposals. As with all new service proposals the Creative Archive now had to be submitted for a Public Value Test. The project team began to gather evidence, starting with audience research and a pilot, supplemented by findings from routine BBC New Media research.

“We sat down with Mark Thompson and went through the plan and he seemed to be pretty keen on it and supportive. At the time, the plan cost something in the region of £2.5 million... he simply wanted proof of concept, that there was a demand and he was going to be able to offer a new kind of BBC service and therefore the pilot needed to be strong enough to offer that evidence.” (Gerhardt Interview, 2014)

However the iPlayer, then known as the iMP, was beginning to gain the lion's share of New Media resources and senior management attention. When the Creative Archive was presented to the Finance Committee for budget approval the project received a new setback

“It suddenly got the budget cut to round about £1 million and we were asked to do a lot less than we hoped. Interestingly, Mark was remarkably unsympathetic at that stage. It was like in 24 hours, he'd changed his view. I've no idea why unless he was now juggling a number of competing new evolving propositions, of which what was called the iMP project was beginning to be talked about as well.” (Gerhardt Interview, 2014)

Despite this the Creative Archive continued to feature in BBC public announcements during 2006 and was put through a form of dummy or hypothetical Public Value Test, referred to as a “Cold Test” (BBC Governance and Strategy Unit, 2006). “We were the very first project to go through a trial test run of the Public Value Test... We had to supply a lot of the quantitative and the qualitative data that we got through marketing and research as well” (Gerhardt Interview, 2014).

At this point the BBC Trust indicated that only one proposal at a time would be allowed to be submitted to a Public Value Test.

“That was a game changer because that meant that the BBC had to decide the prioritisation and this was at a time of massive digital evolution when there were new service proposals all over the place. So the BBC then had a big decision to make about what to go with first.” (Gerhardt Interview, 2014)

The BBC Executive chose the iPlayer. The Creative Archive never had another opportunity to be submitted. Frustrated at the lack of progress, first Le Dieu and then Gerhardt left the BBC, and the project was abandoned.

Two years later a different more modest and purely on-demand service, the BBC Archive (BBC, n.d.a) was launched. Working in partnership with the British Film Institute and the National Archives it made hundreds of selected programmes and clips from the archives available online. However unlike the Creative Archive there was no capacity for the audience to download, edit or share the material (BBC, 2008). The project was led by one of the most senior figures in the BBC Roly Keating, then Controller of BBC2, who had decided to re-address the issue of opening up the BBC Archive to the public. He began by setting out to establish a rights framework addressing both public service and commercial interests, and brought in Tony Ageh, the person who had devised the iPlayer and who also had some experience of the Creative Archive. In 2014 this site was itself archived. In January 2015 one element of it, the BBC 4 Collections, was made available via BBC iPlayer (BBC, n.d.e). It is not clear at the time of writing what plans the BBC has for its online archives.

7.3 Factors which shaped the Creative Archive

My second research question asks which factors shaped the course of the Creative Archive. In this section I take this in two parts. First I look at the reasons why the BBC adopted the proposal and featured it in its Charter renewal bid. Then I report what my findings suggest were the factors that led to the project being abandoned.

Innovation Culture

For Paul Gerhardt in Education it was straightforward: like executives all over the BBC he was seeking ways to exploit the potential of digital media to improve the BBC's capacity to achieve its public service goals. Teachers and schools were continually asking BBC Education for old programmes. In 2003 broadband take-up in the UK was in its infancy,

but some of its potential was already becoming apparent. While YouTube had not yet launched, the example of the Wikipedia collaborative editing process suggested that the Education department could use the Internet to give the public access to the BBC's archive and also to enable them to use video and audio in a way that hitherto had only been possible for the printed word.

“It came out of a very simple thought that we want to give someone the same ability to share their passion and their inspiration with the moving image that we do with the book. That means having access to the work and it means having the ability to quote from the work and having the ability to share that quotation or that piece of work.” (Gerhardt Interview, 2014)

The Creative Archive, like the iPlayer, was just one example of BBC digital innovation. Producers and executives were being encouraged to think digital, and Dyke's decision to expand the budget for digital together with the relatively loose terms of the 1998 DCMS licence had opened the way for a host of new initiatives: BBC Entertainment devised Celebdaq an online celebrity stock exchange, Drama had Jamie Kane, an interactive drama, BBC Education had the Digital Curriculum, while BBC News had iCan, a social action network (Hermida, 2010).

Public Value

For the BBC leadership the Creative Archive proposal was well-timed, they felt it offered a demonstration of how the broadcaster could harness the potential of digital technology to deliver public service benefit in the run-up to Charter renewal.

“Access to the archive was something that mattered to Knowledge and Strategy, from the point of view of the licence fee payer, and an ability to create your own things with the archive was obviously a kind of unique BBC proposition that we would be putting forward to people.” (Benson Interview, 2014)

Greg Dyke's Edinburgh Festival announcement of the project as an exemplar of how the BBC proposed to deliver of Public Value is possibly the earliest example of the BBC publicly reinterpreting its mission as delivering this new concept. He said:

“When complete, the BBC will have taken a massive step forward in opening our content to all - be they young or old, rich or poor. But then it's not really our content - the people of Britain have paid for it and our role should be to help them use it. This is just one example of the kind of public value which I believe will come with the second phase of the digital revolution, but there will be many others.” (BBC, 2003e)

He told this researcher:

“It was really about school kids and saying look can we make this available to them?...I never understood the technology of any of it. What I knew was what it could do. The BBC has got this great library. If you now live in a world where you can digitise it and make it available, then why aren't we?” (Dyke Interview, 2014)

Dyke's announcement positioned the project as one that could illustrate the newly embraced concept of Public Value, and the vision of the BBC utilising new digital technologies to deliver on its remit. His speech “caught and fuelled the prevailing digital optimism of the moment” (Popple, 2015, p.133). The project attracted favourable coverage as the kind of initiative that justified the BBC's existence. John Naughton in *The Observer* described it as “the best argument I've seen for the continuation of the licence fee” (Naughton, 2003).

Much of the academic reception of the project was equally positive, seeing it as marking a shift of emphasis “away from the time-honoured broadcasting paradigm to a more interactive approach” (Klontzas, 2008, p.41), and as evidence of the BBC's commitment to sharing its content for participation and digital creativity (Fitzgerald, 2005; Leurdijk, 2006; Bennett and Strange, 2008; Debrett, 2009; Knapskog, 2010; Valtysson, 2010). Smith and Steemers described it as a project which “meets concerns about digital exclusion, and places the BBC firmly on the side of universal provision, and open, free access in a media landscape, increasingly dominated by commercial companies” (2007, p.51); while Graham Murdock felt it was “arguably the most important innovation in public service provision since its original foundation” (2004, p.17). The project also resonated with an international open access movement seeking to exploit the potential of the Internet for public use. Lawrence Lessig, the chair of the Creative Commons project, greeted the move as “the

single most important event in getting people to understand the potential for digital creativity” (Quoted in BBC, 2004a, p. 62).

The BBC leadership appears to have had no doubts when it adopted the Creative Archive that this was a legitimate activity for the BBC to be undertaking. In terms of the evolving definition of Public Value it could be seen as providing solid evidence of the BBC’s ability to deliver “citizen value”. The benefits from the BBC perspective were that it held out the prospect of successfully triangulating the tensions between three conflicting agendas: the desire of the public for ubiquitous access to BBC content; the fears of online commercial competitors and European regulators; and the wish of domestic politicians that it would continue to drive uptake of digital and deliver public value in terms of policy goals. It could be easily understood by public and programme-makers alike as something the BBC should be doing. *Building Public Value* introduced the Creative Archive in terms that placed it at the heart of its argument for gaining a new Charter: the narrative of addressing citizenship issues by “renewing the BBC for a digital world”:

“The BBC will be a pioneer and innovator, combining old and new media to offer a range of new services that can make a difference to people’s lives – like access to the BBC’s rich archives, new learning opportunities and fresh ways for people to participate and contribute as citizens. Our goal is to turn the BBC into an open cultural and creative resource for the nation.” (BBC, 2004a, p.61)

According to Charles Constable the project fitted the agenda of *Building Public Value*.

“One of the real reasons the BBC can remain relevant in this digital age is we can bring 70 years, or 80 years, whatever it is, glorious history to life for everybody to use; assets that the nation has paid for, the public has paid for, and therefore that they should be able to use at no extra cost. How wonderful is that?...I think it tells a compelling story. It makes the BBC look more like a public service institution, more like a British Museum or a National Gallery, or something of that nature. And so it all helps tick those boxes of being at the heart of British public life.” (Constable Interview, 2014)

There may also have been more pragmatic, short-term political considerations behind the announcement. One important audience for the BBC’s announcement was the government.

The BBC was on the defensive over its reporting of the war in Iraq and anxious to highlight projects which could demonstrate positive public benefit. Only the day before Dyke's speech the Secretary of State for the DCMS Tessa Jowell, in a speech announcing the Graf Review of BBC Online, had reminded the BBC of the potential value of its programme archive. The Creative Archive could also be seen as part of a broader trend on the part of European public service broadcasters at the time to demonstrate Public Value by opening their archives:

“The UK government has supported public access to publicly funded archives as part of their life-long learning vision. Public access to its archives, such as the service offered by BBC Creative Archive, is considered as one of the ways in which the BBC's licence fee is justified.” (Leurdijk, 2006)

There was a further immediate motivation for adopting the Creative Archive. The BBC's flagship education project the Digital Curriculum had run into trouble, both from competitors in the UK and under pressure from those companies, from European regulators. There were beginning to be doubts about its viability. The closure of the project was already seen as a possibility. This would create an issue of credibility for the BBC as the Director-General recognised, according to Benson:

“Greg was thinking, what is my, what am I going to do about Education? Because, you know, learning is important and all the rest of it. And the Digital Curriculum was somewhat stuck, it was mired and they eventually, because of the competition law, as you know, they abandoned it, and he said to me, ... can you think of something else that we can do as an initiative, you know, because the Digital Curriculum thing seems to be stuck?” (Benson Interview, 2014)

These interviews suggest that the BBC felt the Creative Archive would help Charter renewal in two ways: firstly, as a means of retaining relevance for its education provision when the troubles with the Digital Curriculum had already put that in jeopardy; and secondly as a clear demonstration of Public Value through its use of digital media to deliver a core public service benefit. It was also felt that the project could do so within the new Public Value framework for legitimating BBC services, as it was seen as being likely to avoid the competition issues that had been encountered by the Digital Curriculum. The

creation of a steering group and the adoption of a licence modelled on the Creative Commons licence were further moves designed to offer legitimacy to the enterprise.

Competition with iPlayer

In the period after *Building Public Value* a number of factors combined to cause the Creative Archive project to begin to lose momentum. The division between these factors and those that promoted the project is slightly artificial; some of these factors, such as the role of the BBC leadership, worked first in favour of adopting the project, then led to its decline.

The BBC leadership, and in particular the Director-General Mark Thompson, became convinced of the need to focus its efforts on delivering the Player and on-demand. The budget for new projects was already shrinking as a result of the cuts initiated in response to the Graf Review (Graf, 2004). The two proposals made similar demands upon the organisation, and the Creative Archive began to lose out in the competition for the available resources and funding.

“There was a series of very similar problems that needed to be solved: there needed to be a set of conversations happen with rights holders, a set of technology infrastructure that needed to be invested in and put in place, marketing, all of the product pieces, and there was room really for only one, and iPlayer was by far the simpler of the two.” (Le Dieu Interview, 2014)

The role of leadership

This highlights the part that organisational politics, in particular the intervention of the BBC leadership, played in shaping the course of the project. The Factual and Learning department felt it could not implement the project without the support of an alliance with another department, New Media, and had to accept joint leadership as a result. The Creative Archive needed Executive level endorsement to get traction, and appears to have suffered from the early departure of its champion Glenwyn Benson, and changes of leadership at the Director-General level. Equally Dyke’s public announcement of the project gave it a kick-start. Once he left it took the authority of a new Director-General to resurrect it. The project had momentum only so long as it had the backing of Mark Thompson, the Director-General. Once his priorities shifted the project carried on, but

without any other champion senior enough to get the Executive to agree to submit it for a Public Value Test, it had no future.

“The Creative Archive is a good example of a project that is fucked if it goes on too long. In other words, either it has a momentum and it begins to change the discourse around it or if it stalls, that’s it. You can’t recover the momentum and it stalled because of the Greg thing and it stalled because of the whole Public Value Test arrangement.” (Gerhardt Interview, 2014)

The fact that the successor project, the purely on-demand BBC Archive, did get launched may in part be due to the fact that it was led by Roly Keating, one of the most senior and experienced executives at the BBC who established and developed it with support from the Director-General: “For the first time the possibilities were clearly articulated by somebody who had enormous credibility within the BBC” (Thompson Interview, 2014).

What both this example and that of the iPlayer also suggest is that when the BBC leadership settled on a course of action the rest of the organisation tended to follow without the need for explicit instruction. The organisation as a whole appears to have been attuned to the need to be aware of what the leadership wanted.

“It’s an incredibly political environment. It doesn’t require somebody to make a statement. They only had to look at where Mark Thompson’s attention was and note, oh it’s not there anymore. Greg’s attention was there but Mark’s is not there. Right, excellent, where is that attention going? Oh there it is, okay. Let’s all go.” (Le Dieu Interview, 2014)

Weak evidence of demand

A further factor was that the Creative Archive team struggled to establish that there was the strength of demand to justify the cost. The consumer research was positive, but not overwhelmingly so. In Public Value Test terms there were questions over whether the Creative Archive could deliver impact and represent value for money, as the project team recognised:

“The challenge however, to be fair to everyone involved, was that we could not articulate, or we couldn’t prove the uptake. So it’s one of those weird things where

actually even though everybody, not everybody, a lot of people recognised that this was heartland public service, because it was so novel, you couldn't prove that in fact there was an appetite for it.” (Le Dieu Interview, 2014)

“The Creative Archive started foundering on ... was there really a demand for it. Actually the iPlayer, as the technology developed, it became apparent that this was something there was a real demand for.” (Thomson Interview, 2014)

This finding is similar to that of Vanhaeght and Donders (2014, p.12) in their comparative study of multiplatform projects from three European public service broadcasters. Their research concludes: “it is difficult to encourage people to interact and participate” and that, “interaction, co-creation and participation only seem to ‘work’ when they really contribute to the concept of a [television] program and not when they are merely adopted as a strategic end in themselves.” Several other studies of online participation rates support this view. Wardle and colleagues (n.d.) in a study of BBC News and user-generated content (UGC) found that only 4% of the public had contributed UGC to an Internet based news service, and 72% of the public had never contributed UGC of any kind. Another review of a wide range of sources for the Arts Council of online engagement in the arts found that only less than 7% said they had used the Internet to create something artistic, uploaded something they had created, commented online or taken part in a discussion forum (MTM, 2010).

What the Creative Archive was designed to provide is now being made possible by the unregulated commercial sector. The regulatory framework of the Public Value Test may have made it difficult if not impossible to achieve, according to one interviewee:

“Much talk of user generated content and of audiences themselves becoming content creators was in the air, but I don't think, if we're being honest, any service proposition emerged that absolutely distilled that, and sure enough, 10 years on, I don't think that is the case. User generated content did find a great platform and it's called YouTube, but it turned out not to be a public broadcaster that did that particular one and it probably depended upon a more absolutely unregulated kind of environment for that idea to really take root.” (Keating Interview, 2014)

Institutional resistance

A further factor was institutional resistance. Despite the lessons of the Hever exercise (or perhaps because of their limited circulation) even members of the BBC Research Department appear to have been resistant to the idea that people might want to watch television programming on a computer or any other device, just as they had been with the iPlayer at first, according to Paula Le Dieu (Interview, 2014): “While it had been extremely well received by people in New Media, outside of new media in the BBC, enormous scepticism, enormous scepticism”.

This finding is consistent with those of Bennett and colleagues (2012) who found resistance from the production culture to multiplatform innovation. As I noted in the last chapter in the case of the iPlayer, initial resistance gave way to acceptance only when it was seen to succeed, whilst not threatening the dominant television production model. However, unlike the iPlayer, the Creative Archive team never did succeed in overcoming the suspicions of television programme makers and executives. Whereas the iPlayer was later assimilated and normalised as a natural extension of broadcasting, the resistance to the Creative Archive appears to have been more fundamental, according to Caroline Thomson: “Creatives don’t like the idea, that, you know, any member of Joe Public can take their material and mash it up, so it ran into quite practical problems about how to deliver it in anything which would be really effective” (Thomson Interview, 2014).

The boundary between public service and commercial interest

One factor that had a decisive effect on the course of the development from the outset was the question of where to draw the line between public service and market propositions online. We have already seen that the “searing” experience of the Digital Curriculum had had a profound impact on BBC thinking. According to Danielle Nagler, the then Chief of Staff for the Director-General Mark Thompson:

“With the Digital Curriculum you had effectively an arrangement reached between government and the BBC, which, for reasons slightly unintelligible, with the benefit of hindsight, neither of them seemed to realise might be quite as contentious as it would be – and a feeling from the educational providers that their business model had been smashed, without them having an opportunity to put their point across, or indeed to negotiate in any way around it.” (Nagler Interview, 2014)

The BBC needed an ambitious and credible project, one that could avoid the issues that had dogged the Digital Curriculum and was positioned unambiguously on the public side of the public service/private line as now defined by the emerging concept of Public Value and the Test. Initially the Creative Archive appeared to fit the bill.

The project was adopted because it was seen as unlikely to encounter the same difficulties on competition grounds. There was optimism that rights holders such independent producers, and commercial interests such as the BBC's commercial arm Worldwide could be persuaded to support it:

“I said... this is going to have less problems than Digital Curriculum because it's just simply allowing members of the public to do things, as long as we can get the indie sector to agree and as long as we can get Worldwide to agree.” (Benson Interview, 2014)

From the outset the chief concern of the Creative Archive project team was a conscious attempt to pre-empt the competition issues that had plagued the Digital Curriculum. As discussed above, the project team established a steering group comprising public service partners and the main potential competitors; ITN Source, responsible for sales of ITV programming and BBC Motion Gallery, the archive division of the Corporation's commercial arm, BBC Worldwide.

“There was also a lot of opposition from the BBC's own commercial arm, which again, hadn't necessarily worked out exactly what it could do with all of it, but had a strong hunch that it could do something with quite a lot of it, and was quite, you know, was understandably quite nervous around just putting it out there and saying, you know, come and do with it what you want.” (Nagler Interview, 2014)

In addition the BBC argued, as it did with the iPlayer, that the project could actually help create a market for archive material. For a time these manoeuvres were successful. Competitors, though wary, came on board. But some suspicions remained. In 2005, in evidence to a parliamentary enquiry into the new Charter, ITN attacked the project on the grounds that the BBC was using public funds to digitise material that could benefit the BBC's commercial archive BBC Motion Gallery. It said of the Creative Archive: “Services

of this kind can have a serious market impact on commercial competitors like ITN who are pioneering new services in developing markets” (House of Lords, 2005).

Rights

Rights were another challenging commercial issue. The BBC itself did not own much of the copyright in the BBC archive; it turned out that contributors and third parties held much of it. Rights holders might well seek payment, to recoup the opportunity cost of lost potential income if the BBC should make their work available for free. Rights holders and the BBC were only just beginning to work towards a framework for dealing with streaming and download rights for the iPlayer. The Creative Archive opened up a new area of complexity by proposing to make content available to the public to re-use in any way they saw fit. The gulf between the interests and fears of rights holders and the ambitions of the project became apparent in 2003 when the Director-General first announced the project, according to Paul Gerhardt.

“We were inundated with responses around the world because it was a web based story about a web project involving one of the biggest media players in the world. Immediately, it was interpreted that the BBC had gone open source...the implication immediately was that people wanted to know exactly when the entire archive was going to be available, when they could download it and was it true they didn’t need permission!” (Gerhardt Interview, 2013)

Initially it was thought that there would be a substantial portion of the archive that would present few clearance problems as the BBC wholly owned it, particularly in areas such as the wildlife films of the Natural History Unit. However this proved not to be the case.

“It transpired that even the so-called wholly owned is not always wholly owned. It’s wholly owned for broadcast. They can re-broadcast it as many times as they want. They do not have the rights necessarily to remix, re-use, and they certainly don’t have the rights to pass it on to third parties for their use.” (Le Dieu Interview, 2014)

What was needed was some kind of framework that would allow the public to use the material for valid, primarily educational purposes, while protecting the interests of rights-holders. It would need to meet the requirements of groups such as Equity, the actors’

union. The solution the BBC team adopted was to establish a BBC Creative Archive Licence (Creative Archive Licence Group, n.d.) modelled on the Creative Commons Licence, designed for a similar purpose by a legal team led by Lawrence Lessig of Harvard University Law School (Creative Commons, n.d.). It was felt the Creative Commons Licence would help establish a rights framework that could legitimate the Creative Archive and avoid the experience of the Digital Curriculum.

“It didn’t resolve the problem of clearing the content but it did offer a framework for the BBC as an institution to decide what its attitude should be to that historic content. As far as I was concerned, it offered a framework in which it could open up almost a new chapter in this conversation with rights holders whether they were Equity or whoever it might be.” (Gerhardt Interview, 2014)

Because of its academic legal provenance, the Creative Commons link also helped the team get taken seriously within the BBC:

“The critical thing was Larry Lessig was a very well-known, well-respected academic lawyer, the board, the same. And so what they did for us at least meant that the lawyers at the BBC came to the table. We actually got them engaged in discussion, whereas I think without that we probably wouldn’t have. We wouldn’t have been able to even get them to the table.” (Le Dieu Interview, 2014)

Although the Creative Commons Licence did help to address the issue, it did not resolve it. While the iPlayer required the BBC to negotiate download and streaming rights for seven days only, the Creative Archive sought rights to re-use content in a multiplicity of ways and contexts possibly forever. The BBC’s rights lawyers were sceptical according to Paula le Dieu:

“You can see where the lawyers are going to go with this can’t you? [Laughs]. It’s like hmm, now am I going to go and have a conversation with Equity about all rights in perpetuity to do with whatever they want, or am I going to have a conversation with them about seven days? Hmm, I know, seven days sounds like a much more reasonable ask [laughs].” (Le Dieu Interview, 2014)

By contrast, the demands of the BBC Archive that succeeded it were far more modest because that project did not seek to allow the public to make use of the material beyond viewing or listening to it. In essence the licensing regime was the same as the iPlayer but for a more extended period. The rights issues with the Creative Archive never were satisfactorily resolved; and an agreed framework that offered clarity on the position of commercial rights holders never was achieved.

“Part of, if I’m being honest, my scepticism about what was called ‘the Creative Archive’ was that it seemed to me to be posited on slightly too simplistic an idea of what that programme archive is, as if somehow the BBC owned it, that the BBC could just click its fingers and do what it chose, which of course it can’t and shouldn’t because to do that, as I said, it’s a patchwork quilt of other peoples’ content.” (Keating Interview, 2014)

Legitimacy

In the last chapter I reported how the BBC re-framed its remit to present on-demand services as simply a new way to deliver what it had always done in broadcasting. It was unfortunate for the proponents of the Creative Archive that in this respect the project was continually compared with the iPlayer. While the iPlayer had overcome initial doubts and come to be seen as a natural extension of what the BBC had always done, there were beginning to be doubts at senior levels about whether this project was actually a legitimate activity for a public service broadcaster such as the BBC to undertake.

“Creative Archive for them [television controllers] was this wild, wild west that they could not understand, and to be fair we couldn’t tell them what was going to happen because we didn’t know what was going to happen, whereas with iPlayer it was, we’re going to put television onto the web... The BBC cannot overlook the fact that the middle B is broadcast, and this didn’t feel like broadcast to them. It just didn’t feel like it was a broadcast thing, whereas iPlayer did; iPlayer felt it was just a new kind of broadcast.” (Le Dieu Interview, 2014)

From my findings therefore, we can infer that it was not uncommon for online innovation to be resisted by the BBC’s institutional culture, but that this resistance could be overcome under certain circumstances. This account tells us two things: firstly that the iPlayer was becoming accepted as a legitimate activity for the BBC as a public service broadcaster by

the Corporation's television programme-makers and commissioners; but that by the same token some other online projects, in particular multiplatform projects such as the Creative Archive were seen as a step too far by the prevailing production culture. This may have been reinforced by the terms of the European Commission's 2003 ruling on the Digital Curriculum, which as we have seen had had an impact on BBC thinking. This had allowed the project to proceed, but the Commission's reasoning included a significant qualification: this was that the project would not be in violation of state aid rules "to the extent that it remains closely associated with the BBC's television and radio services" (European Commission, 2003). What is meant by "closely associated" was not spelt out. Nonetheless, what can be seen here is how the view within the production culture of the BBC's programming-making side chimed with the redefinition of what was permissible online activity that was emerging from the European Commission as competition considerations and European competition law increasingly became the framework within which European public service broadcasters were regulated. According to Brevini (2013, p.109) the Digital Curriculum ruling was a key moment in the EU's position on public service online when competition considerations became paramount.

No matter how strong the perceived public benefit of a proposal, it would have to take account of commercial interests and be justifiable within the BBC's public service remit. The issue became whether multiplatform projects with their ambitions to encourage participation were any longer something that the BBC ought to be seen to be doing. This question can therefore be understood through at least two different dimensions: firstly as a matter of both institutional logic and institutional culture, i.e. whether these were activities that the BBC could explain and justify to its external stakeholders, and secondly to its own workforce. The production culture had changed to accommodate a new definition of the public service remit. However in the case of the Creative Archive, as with some other multiplatform projects, both factors worked together in the same direction.

"The crucial thing about the iPlayer is that in many ways, it's not remotely revolutionary. I mean it's simply another way of delivering the same product, because the programmes are the same. Whereas the other things you are talking about are completely, you know, are quite counter-cultural in the BBC...certainly for the BBC...because the BBC exists to make programmes." (Thomson Interview, 2014)

The Creative Archive was not the only project affected. A BBC News project, iCan was showcased in *Building Public Value* as “a unique, interactive community resource for people who want to make a difference in civic life but who are put off by traditional politics” (BBC, 2004a, p.67). It ran from 2003 for five years and was seen as one of “the most high profile and ambitious attempts by a public service broadcaster to foster eParticipation through an online civic commons” (Hermida, 2010, p.119), and (Born, 2004, p.489) as “a facilitative online space for the reinvigoration of civil society via citizen empowerment”. Like the Creative Archive, iCan struggled to provide evidence of demand. Hermida attributes its lack of success more to the mismatch between its emphasis on participation and what he describes “a paternalistic broadcast legacy” (Ibid). Richard Deverell, then Head of News Interactive, was involved in the launch of iCan. He feels that the BBC was beginning to become wary of involvement in projects with active participation at their heart, such as iCan.

“There were big debates about what role the BBC should have about active engagement... ‘Do we have a role in connecting people, in stimulating discussion, in encouraging active participation? There were a number of experiments of which iCan was one, during that period. I think the BBC lacked confidence really. Is that fair? I think they are always seen at the margins of what the BBC should be doing. So the combination of budget cuts plus market impact concerns, plus inevitably some Tory MP could be found to say, ‘Oh, what on earth is the BBC doing? It should be sticking to Radio 4’ sort of thing. It tended to nibble at the margins of some of these more interesting innovations.” (Deverell Interview, 2014)

When iCan, by then re-named the Action Network, closed, it was replaced by a new site, BBC Democracy Live, which provided live streams and on-demand video from the UK, Scottish and European Parliaments, and the Welsh and Northern Ireland Assemblies including Select Committees, and the proceedings of both the House of Commons, and the Lords. As with the Creative Archive, active participation had given way to on-demand and streamed programming.

By the time the BBC Executive came to decide which proposal to submit for the first Public Value Test the contrast between the on-demand services and the Creative Archive was stark. By all the Test criteria the Creative Archive, which had seemed an exemplar of Public Value when the BBC was preparing its Charter bid, had come to be seen as the

greater risk: it was hard to demonstrate public demand, it was resisted by programme makers and executives, competitors were concerned about its potentially adverse impact upon a nascent market, and there were doubts at the highest levels of the BBC that it was a legitimate activity for the BBC to encourage active participation.

“Above all, the BBC didn’t want its first offer for a Public Value Test to be turned down. That would not have been the right ... so I would say virtually inevitably, the iPlayer was the first proposal taken to the Public Value Test.” (Gerhardt Interview, 2014)

7.4 Effective strategy development

The third of my research questions concerns how effective or successful the development of the Creative Archive was for the BBC. As with the iPlayer, the process of development shows a combination of planning and emergence, long-term strategic considerations and short-term contingency, such as the need to find a replacement for the BBC’s troubled Digital Curriculum project. It is another example of the BBC’s capacity for innovation, and the extent to which it was customary to encourage the development of a variety of new projects, particularly those that might demonstrate public value through digital means, while being prepared to see some thrive and others be abandoned. The Creative Archive absorbed a considerable amount of time, resources and senior executive involvement before being dropped. The process can be seen as both positive, in the sense that it produced a stream of innovative proposals, but wasteful and dysfunctional because of the number which were discarded, and because of the disconnection between the pipeline of innovation and the overall strategy process.

What my findings suggest is that, while the Creative Archive had been perceived to add Public Value to the BBC, it had provided a useful source of legitimacy. It was one of a handful of featured projects through which the BBC demonstrated its commitment to deliver Public Value through exploiting the potential of digital media in its Charter renewal bid, and it continued to feature in public announcements up until the point when it was abandoned in 2006. In that sense it served the BBC well, but once the BBC began to attempt to implement it the commercial issues proved hard to address.

“If I was really cruel, I’d say it was a good thing to talk about in speeches, it’s a good thing to promise to do, but actually being able to do it – being able to either unlock enough that it feels valuable, to wade through all those issues around the commercial public service boundary, and so on I think it slightly destroyed the people who were working on it.” (Nagler Interview, 2014)

It helped legitimate the BBC at a time when it felt its survival was under threat, but in the long run it came to be seen as more of a risk to legitimacy. In institutionalist terms it was a successful response to the dynamics of the field but once the new Charter was secure it may have outlived its usefulness: “With the benefit of hindsight, it has proven to be more technically and organisationally challenging that was assumed at the time we did the Charter work” (Constable Interview, 2014).

Even as a solution to the BBC’s problem of legitimacy in the delivery of Education its effectiveness appears to have been short lived. After the suspension and closure of the Digital Curriculum and the abandonment of the Creative Archive the BBC struggled for some time to develop a coherent and credible education strategy. A year after the suspension of the Digital Curriculum project the BBC Trust confirmed its closure and announced its intention to conduct a Public Value Test on new BBC proposals designed to meet its educational remit “once these are developed in more detail”, implying a lack of satisfaction with what had been presented by the BBC (BBC, 2008).

Meanwhile competitors kept up the pressure. The BBC faced further challenges in 2009 in the form of competitor complaints about unfair trading relating to three core education services: BBC Bitesize, Class Clips and the Learning Portal (BBC Trust, 2010a). After a yearlong investigation the BBC Trust dismissed the complaint with some minor qualifications. However the threat of further challenge remained. BBC learning strategy has not subsequently been put through a Public Value Test. In June 2010 the BBC Trust approved a 'strategic assessment exercise' by BBC management setting out plans for the BBC's formal learning activity for the school age group. While this endorsed much of what the BBC was already doing for learners, it also called on the BBC to ensure its services provided value for money and avoided adverse impact on the market, and ordered it to close a service for teenagers, BBC Blast (BBC, 2010).

There is another aspect of the process that suggests that the BBC feels it may have paid a price in terms of its capacity to innovate and experiment with digital media. Despite the rhetoric of 360-degree commissioning and production, a period of expansion and experiment in digital media that began with the arrival of Greg Dyke as Director-General was being replaced with a new understanding of what the BBC could and should be doing online. The ground rules had changed and the BBC had accepted a new definition of public service in online. Multiplatform projects that had an element of participation at their core, embraced at first for their contribution to Public Value, were no longer likely to be seen as a “natural extension” of the BBC’s mission as a public service broadcaster.

Understandably multiplatform producers and executives from both the BBC and the independent sector expressed disappointment at this development (Bennett et al., 2012). The sense of a lost creative opportunity implicit in this more circumscribed and competition-friendly interpretation of the BBC’s remit online appears to have been shared by some among the BBC leadership. Former Director-General Mark Thompson is quoted by Bennett and colleagues (2012, p.32) as saying:

“It’s crazy to imagine that the future is just going to be television delivered in new ways ... [We have to] try to work out how we give the Creatives of the future the best chance of coming up with things that go beyond conventional television and conventional web approaches.”

While his short-lived successor, George Entwistle used the opportunity of his first major public statement to announce:

“We’ve taken – joyously – our capacity to present and distribute existing forms of content to their natural limits rather than innovate to discover genuinely new forms of content. Yet it’s the quest for this – genuinely new forms of digital content – that represents the next profound moment of change we need to prepare for if we’re to deserve a new charter.” (BBC, 2012)

However the findings of Vanhaeght and Donders (2014) suggest that the creative potential of participation-based multiplatform projects that some see as a defining feature of Public Service Media may prove difficult to realise.

7.5 Conclusion

In relation to my research questions, the findings on the Creative Archive case study help to illuminate the process and the factors that led to and accompanied the BBC's strategic shift towards making the on-demand services central to its digital proposition.

In some ways the development process for the Creative Archive paralleled that of the iPlayer: it was originated for departmental reasons by a small ad hoc team, to exploit the potential of digital media and broadband to deliver on a core element of the BBC's public service remit. It was another example of the BBC's capacity to develop a pipeline of innovative projects, and the freedom and relative autonomy of executives across the BBC, encouraged by the expanding budget available to New Media. The main difference was that, although it was a digital project, its came from outside the New Media department. The outcome also suggests that the BBC had the capacity to develop several major projects at once and felt it could afford to drop some of them when necessary.

It also illuminates the power relations and the importance of the role of the leadership within the BBC. However innovative, the Creative Archive only gained traction after it had been backed and publicly announced by the Director-General, Greg Dyke. When he left the project lost momentum and it survived a change of Director-General only through the intervention of a senior figure, Glenwyn Benson, who won the backing of the next Director-General, and saw to it that it was featured prominently in the BBC's Charter bid.

Even then, Benson felt that Education might struggle to deliver such a proposal on its own and formed an alliance with New Media, itself a relatively new department with an uncertain status within the BBC that could be described as weakly institutionalised. Like the iPlayer, the project team they formed is an example of the kind of small-scale adhocratic project team described by Mintzberg (2003) conducive to developing innovation, and characteristic of what he terms the "innovative organisation". However it also demonstrates that without clear support within from the power structure such teams tend to be ineffective. The process combined elements of rational planning and expedient improvisation. When the leadership turned its attention and focused resources elsewhere the project began to lose momentum, and was allowed to close down.

The factors that affected the project were complex and closely related to those that led to the development of on-demand. Like the iPlayer, it was the product of a culture and tradition of innovation. The reasons for its adoption and later closure were also due to the BBC's interpretation of the dynamics and tensions within its organisational field, and its corporate focus on institutional survival. Initially the BBC saw the Creative Archive as a way to restore and enhance its credibility, partly for opportunist reasons as an initiative to replace the increasingly risky Digital Curriculum, and as a response to Ministerial criticism. Equally important, it was seen as a means of demonstrating how the BBC would deliver the newly adopted concept of Public Value in exploiting the power of interactive media to fulfil its education remit. The initial response from the public, the open-access movement, and from academics tended to confirm this judgment. What later came to be seen as an impractical, even utopian scheme was embraced initially as evidence of a pioneering Web 2.0 move by the BBC to open up and share its back catalogue with audiences.

However once the new Charter had been won and the question became one of implementing the new proposal, other issues came to the fore. The project began to lose out to the iPlayer for budget, resources and management attention, and by comparison with the iPlayer there was insufficient evidence of demand.

The project also met with scepticism and resistance from the production culture as it appears did most BBC New Media innovation at the time. The crucial difference in this respect it seems, between the Creative Archive and the iPlayer, and before that the RadioPlayer, is that the latter two could be accommodated by the redefinition of public service online as "closely associated with the BBC's television and radio services", whereas the Creative Archive it seems, could not. They were perceived as a legitimate extension of the BBC's remit, the Creative Archive was not.

Always closely attuned to the changing expectations of its audience, the BBC was in the process of moving towards a new definition of public service online, a new form of field settlement that would prioritise on-demand. What emerges is a picture of an organisation that is re-thinking its role in digital media and how to justify it, and not always clear on how best to do so. The BBC was simultaneously under pressure to extend its remit into digital media services in order to deliver a range of social, cultural and policy benefits; and at the same time it was being pushed to retreat from online on competition grounds. The

project team's aim reflected that of the BBC as a whole in digital media: an attempt to steer a course that would demonstrate public value, while staying clear of having an adverse impact on the market by trying to allay the fears of potential competitors, and commercial rights-holders. However its public value became harder to justify, less easy to reconcile with the institutional logic of the market, and too big a risk.

My findings suggest therefore that the resistance offered by the production culture to all forms of multiplatform innovation, including both the iPlayer and the Creative Archive, may have been less decisive than broader considerations of competition issues, rights and legitimacy within the changing rules of the broadcasting field. The new settlement meant that within a short space of time the BBC, always good at "sniffing the air", went from seeing the Creative Archive as an asset which could help justify the licence fee, to seeing it as a bit "counter-cultural", and no longer the sort of thing that the BBC should be doing.

The budget cuts and restrictions to New Media that followed from the Graf Review all contributed to a new more cautious interpretation of the BBC's legitimate role in digital media; as did the "searing" experience of the Digital Curriculum, because of competition issues raised by UK commercial rivals. The Creative Archive case study illustrates how one unintended consequence of the process and the pressures that produced both the adoption of Public Value and the development of the BBC on-demand strategy was a growing mood of caution, one that discouraged multiplatform digital experiments and restricted new developments to those which could be justified as broadcasting by another means. It illustrates a moment when the BBC turned from confidently exploiting the potential of digital to extend its remit, to a retreat into a more limited sense of what its mission was. The rules of the game were changing and the Creative Archive became a casualty of that shift.

The Creative Archive was only one of a number of high-profile citizen-oriented multiplatform projects featured in the BBC's bid for Charter renewal that subsequently closed. Others included the BBC Social Action Network, iCan, and of course the BBC's Digital Curriculum project. Always a risk averse organisation, despite ramping up the rhetoric of 360 degree commissioning and multiplatform production, the BBC was beginning to scale back its digital media ambitions and becoming more cautious in the proposals it developed. These points are developed further in the next chapter.

Chapter Eight: Conclusion

This study of BBC strategy development describes how the BBC responded to a crisis facing it in the Charter renewal process in 2003, which appeared to put its future in jeopardy. The BBC response was twofold: it proposed innovative on-demand services, and it devised and won government acceptance for a new regulatory mechanism to enable them to launch. The research has explored how the BBC's leadership made sense of the challenges it then faced and why it acted as it did through three case studies, the Public Value Test, the iPlayer on-demand service, and the BBC Creative Archive.

Faced with an existential threat, the Corporation devised and implemented a plan of action which for a time not only neutralised the threat but also gave it a competitive edge in technology and rights, created a regulatory framework which has proved long-lasting and influential, and protected its incumbent position within UK broadcasting.

The research findings are based upon interviews with current and former BBC executives from the Executive, Strategy, Education and New Media departments. The questions are: how and why did the BBC develop *and* implement an on-demand strategy; what was the process; what factors affected the decision-makers; and how effective or successful have they been?

The findings suggest the BBC succeeded by being effective at “sniffing the air”, at reading the way in which the growing pressure of the institutional logic of marketisation was altering the grounds of legitimacy for public service broadcasting, and by being pro-active and radical in adapting to achieve a solution. The BBC deliberately re-interpreted its mission to accommodate the interest of the market and redefined public service through the implementation of the Public Value Test. It also succeeded in re-framing its move into on-demand provision with the iPlayer as a legitimate extension of its traditional role as a broadcaster. It institutionalised these changes in a field settlement in the form of a new Royal Charter through a process of regulatory capture. In institutionalist terms it was a powerful incumbent that finding itself under threat, seized control of the agenda and redefined the rules of the game as exercised by the internal governance unit, in this case the BBC Trust, and in doing so changed the balance of forces within its strategic action field in its own favour.

The BBC entered the process of Charter renewal in 2003 facing multiple threats: it was losing ground with audiences, the premise of public service was being called into question, as was its form of funding, and it fell into a confrontation with the Labour government, which led to the resignation of its Director-General and the Chair of the Governors. It emerged from the process with an industry-leading technology platform in the iPlayer, and a new Charter that enshrined its regulatory proposals and made the process of launching new services independent of government interference. The BBC set out to change the rules of the game, and succeeded in persuading a sceptical government to accept its proposals for the regulatory changes that would enable it to launch the new services it felt it needed to remain competitive.

However the Corporation paid a price with the introduction of a more restricted sense of what was permissible in digital innovation, with, some would argue, a loss of both creative and participative potential; and it institutionalised a form of accountability and regulation that redefined public service as more consumer and less citizen oriented. It became more cautious about its market impact with consequences that continue to be felt, and are likely to play a role in the next Charter renewal process.

A main finding is that the iPlayer, though seemingly a natural development from today's perspective, had to overcome significant internal resistance within the BBC, even though it had been foreseen by a year-long high-level strategy exercise only four years earlier.

Also contrary to one influential school of thought on the subject of organisational innovation, the BBC, although a public sector incumbent, was able to launch the iPlayer because it led its commercial rivals in the field of digital media innovation.

The research demonstrates the explanatory power of institutionalism which situates these developments within the dynamics of the broadcasting field and draws attention to factors that may sometimes be overlooked, such as the shifting grounds for organisational legitimacy due to the changing balance between the institutional logics of the market and public service. It also highlights the relationship between the rise of on-demand and the BBC's parallel retreat from multiplatform, and how both these developments were shaped by the BBC's response to a crisis of legitimacy and audience relevance for itself and for public service broadcasting as a whole.

This chapter is structured as follows: I begin by drawing out some implications from the findings about my research questions i.e. what my respondents have to say about the BBC's strategy process, which factors were important, and the effectiveness of the strategy. Then I explore the implications for theory: what institutionalism contributes to the discussion, how the BBC as an institution related to its organisational field, and the role of incumbent public service organisations in the business of innovation; before finishing with a note on the limitations of the study and some possibilities for further research.

8.1 Strategy process

My research indicates that the process of strategic development and implementation at the BBC demonstrated features of both forward planning and emergence, and that at times it could be curiously dysfunctional. While the Public Value Test arose as part of a deliberate process of strategic preparation for Charter renewal, neither it nor the iPlayer were initially recognised as having the strategic significance they later came to assume. Each became strategic, that is to say something that helped define the BBC's overall direction or posture and determine its viability, as much by default as by design.

The BBC at the time tended to approach strategic challenges in a planned and rational manner. The preparations for Charter renewal for instance, resembles a textbook case of forward thinking led by the Directors of Policy and Strategy, together with a systematic process for report back and sign-off by the Executive. However in the case of both the Public Value Test and the iPlayer (iMP) proposals, the attitude of the BBC leadership appears curiously passive. According to the then Director of Strategy, the iPlayer proposal was not the result of a rational plan of action, it was brought to the leadership: "We knew what we were looking for, Greg and I and the strategy team and other people, but we were waiting for it" (Fairbairn Interview, 2014).

The same interviewee used a similar expression to describe the BBC Executive's reception of the proposed Public Value Test: "We were looking for something like this and so we knew it when we saw it" (Fairbairn Interview, 2014). This also chimes with the account of how new service proposals were selected for the Charter bid document (Constable Interview, 2014).

The Hever strategy exercise in 1998-99 predicted many of the developments that later became commonplace and demonstrated the BBC's capacity for long-term planning. Yet

my interviewees report there was a disconnection between the analysis and the implementation process. Hever did lead to the launch of the BBC RadioPlayer streaming service, but for television on-demand there appears to have been no timetable for action, beyond the apprehension that this might become possible and necessary sometime over the next decade or two. Nor does the Hever analysis seem to have been communicated to those in New Media who were responsible for digital innovation. So, despite Hever, the originators of the iPlayer (iMP) had to overcome scepticism and opposition within the Corporation itself to succeed.

The iPlayer proposal sprang from a BBC pipeline of innovation not matched by any other UK broadcaster at the time; and this too, as Dyke indicated in his interview, was the result of a deliberate decision to increase new media funding. Nonetheless it is not clear how long it might have taken the BBC to develop on-demand services if the team behind it had not persisted through more than eighty presentations until they met a positive response from a senior figure, the Director of Strategy, who had the authority to move the proposal forward, and who recognised its significance possibly because she had taken part in the Hever exercise. Also while the adoption of Public Value and the development of the Test was the outcome of a deliberate process, both the iPlayer and the Creative Archive proposals were ad-hoc local initiatives from outside the formal strategy process.

The findings also illustrate the significance of the BBC's instinct for institutional survival, and how effective and pragmatic it could be in mobilising to defend its position. Faced with what it perceived to be a crisis at the time of Charter renewal, the BBC strategy apparatus moved decisively to ensure its continued survival. When it found that the concept of public service as it was then understood was no longer viable as a means of justifying its new media activities, the BBC was prepared to return to first principles and take the radical, and some critics have argued, opportunistic course of redefining the terms of its core public service remit as Public Value. The BBC recognised the rules of the game were changing and adapted accordingly. Not only that, but the BBC then went on to develop a novel regulatory mechanism, the Public Value Test, and to persuade the government with which it was then at odds to accept this proposal. In doing so the BBC rewrote the rules of its own governance with implications for both the wider fields of UK, and of public service, broadcasting. In the space of a few months the BBC moved from being on the defensive to successfully defining and securing its future, on its own terms. As the then head of policy Caroline Thomson put it: "We needed a new form of control

and we took it, we decided that it was better that we tried something, tried to develop something and see if it flies, than have it done to us” (Thomson Interview, 2014).

Similarly when the iPlayer (iMP) proposal, which had been just one among several digital media projects to be showcased in the Charter renewal bid, began to assume more importance, the BBC was single-minded in mobilising resources across the Corporation to ensure its success at the expense of other proposals. In particular it began the negotiations over rights, essential to the project’s success, at an early stage. Equally when it became apparent that one strand of digital innovation, the multiplatform projects, was becoming harder to justify it had little compunction about abandoning them.

What also emerges is how positions that were taken often for short-term and expedient reasons could become institutionalised with significant long-term and unintended effects upon strategy. Thus the adoption of Public Value and the Test became formalised as a general set of indicators through the introduction of Service Licences and continued to be the principal performance framework in 2015.

8.2 Factors affecting strategy development

When we turn to the second research question the findings suggest that the BBC saw itself as facing a crisis that was the result of long-term changes in its organisational field brought to a head by the need to make the case for Charter renewal. Firstly its appeal to its audience and its competitive position as an incumbent were being eroded by the growth of multichannel and the Internet. Secondly the rationale for public service broadcasting was being called into question due to the increasing pressure of marketisation from competitors keen to curtail the BBC’s ambitions, especially in online. Both factors posed a threat to the BBC’s legitimacy as the interviews make clear.

The concern about losing audience relevance, and the sense that the BBC needed to respond to the increasing pace of technological change anticipated in the Haver exercise, were all factors in the BBC’s decision to make the digital on-demand and multiplatform proposals the centrepiece of its Charter renewal bid. Then the success of RadioPlayer and the feedback from early audience trials of the iMP appear to have underscored the potential of on-demand services to enhance the BBC’s competitive position. Director of Strategy, Carolyn Fairbairn said:

“We saw this as a way of maintaining the BBC’s share and reach in a world that was going to go in this direction...I think I always knew that actually it was going to be catch-up with EastEnders was going to be the thing that people really loved.”
(Fairbairn Interview, 2014)

The second factor that contributed to the BBC’s leading role in developing on-demand services was its institutional history. The BBC had a tradition of leading the broadcast industry in technological and platform innovation, a role it had assumed in part due to pressure from successive governments. However in the early 2000s the ethos of the BBC encouraged innovation not just from technical staff but also from producers and executives across the Corporation. Tony Ageh in New Media, and Paul Gerhardt in Education were two examples of executives who were exploring the potential of digital technology and the Internet to find new ways to deliver public service benefits. They could do so in part because of the permissive, or “inefficient” (Mintzberg, 2003) nature of the BBC organisation, one in which executives had a degree of autonomy and discretion over their time, resources and budgets.

My interviews illustrate how some of the key actors inside a major public service organisation experienced and responded to a major crisis. Although as a case study a number of features are specific to the BBC, nonetheless the issues it confronted and the solutions it pioneered had implications for European public service broadcasting as a whole. In different ways other European PSBs have had to struggle with a similar crisis of legitimacy and have found it becoming harder and harder to define the boundary between public service and commercial opportunity, and to justify new digital media services as falling within the public service remit. For my interviewees the fundamental problem, as they saw it, was a crisis of legitimacy. Legitimacy was a potential source of vulnerability for the BBC as an institution. The concept of public service broadcasting was no longer commonly agreed or widely accepted. They could not be sure where to draw the line between what was a legitimate public service proposition and what should be left to the commercial market, particularly in digital media. This was underlined by the experience of the long battle to get BBC3 on air, and the strictures of the Graf Review of BBC Online.

It was against this background that the bid team were tasked with going back to basics and rethinking the BBC’s Public Purposes. In Public Value they found a concept that enabled them to redefine public service in ways that suited the rhetoric of the market; it offered the language of measurement, accountability and comparability with the performance of

private companies. Moreover as Nagler (Interview, 2014) noted it was a malleable concept. Public Value was in vogue with the New Labour government yet sufficiently polysemic that it could be adapted to suit the BBC's purposes. Thus the Charter bid made great play of the concept both in the title and throughout the bid document, *Building Public Value* (BBC, 2004a). One of the interesting points to note is that few interviewees voiced any doubts about the wisdom or the legitimacy of this radical overhaul of the concept of public service. Their pragmatic acceptance of the need to accommodate the interests of the commercial market, and to adopt market research and consumerist measures of success, suggests the extent to which actors within an institution may come to adopt the assumptions that flow from the prevailing institutional logics. It also illustrates the importance of institutional history. John Birt, when Director-General, had introduced market research and given it a central place with the "100 Tribes" exercise, which informed digital channel strategy. Market research had also played an important part in shaping the development of Freeview under his successor, Greg Dyke.

This pragmatism in adapting the concept of public service was common to those involved in devising and implementing strategy. They were mainly drawn from either programme-making or strategic consulting, tended to network with peers in other related institutions and could hope to go on to even more senior positions elsewhere, beyond concerns about the BBC and public service. For them marketisation was not in itself seen as problematic, but recognised as creating a dilemma which needed to be addressed and resolved. The enthusiastic reception of the concept of Public Value within the BBC and the development of the Test betray no qualms about the extent to which market concerns have entered into the definition of public service or the longer-term difficulties this might create for the BBC in making a case for public service.

But it was not enough to appropriate the concept of Public Value. To survive the BBC had to find a way to legitimate its new services, a process that would remove its proposals from the quagmire of the political arena and one that was unlikely to be challenged by commercial competitors. Thus it was that the bid team devised the Public Value Test. This also helps to explain why the iPlayer and on-demand services were selected as the candidates for the first Test. With so much riding on the outcome, the iPlayer and on-demand services appeared to be the proposition most likely offer to offer legitimacy in terms of Public Value and the new sixth Public Purpose of the BBC to: "help everyone in the UK to get the best out of emerging media technologies" (BBC, n.d.b). Not only had on-demand been popular in trials, but it had also proved the least problematic of the BBC's

proposals, with few complaints from competitors during the consultation process. All three case studies show the BBC continually searching for the most secure grounds for justifying the course of action that it hoped to pursue, i.e. to launch new services to arrest audience decline.

The BBC spent a great deal of time and resource on trying to understand the dynamics of its organisational field, and the concerns of key actors and stakeholders. By virtue of its public service status the BBC was subject to constant public scrutiny and an institution that is finely attuned to the shifting dynamics of its organisational field, and good at “sniffing the air” (Wakefield Interview, 2013) in order to be able to justify itself. It was assiduous in anticipating and taking steps to placate its critics; for instance, in its adoption of Public Value, a term then fashionable in New Labour circles, or in the promotion of the Creative Archive project at a time when its major education project the Digital Curriculum was already perceived to be in trouble. Even when relations were at their most strained, during the Hutton crisis, the BBC managed to maintain a dialogue with legislators and regulators. The BBC was also skilful at making sure different stakeholders heard what they wished to hear. For instance, its 2004 lobbying document for Charter renewal *Building Public Value* showcased several multiplatform projects with strong claims to offer Public Value which proved short-lived or still born, whereas the case for the iPlayer was made on Public Value grounds even if some in the BBC suspected its appeal would be more likely to rest on the ability to catch up with popular soap operas like *EastEnders*.

The Creative Archive, for instance, appears to have been adopted because it was felt to be an exemplar of Public Value, and then later dropped when justifying such projects became more problematic and its contribution to Public Value less self-evident. Its fate followed a re-evaluation by the BBC of its priorities in the light of a change in the meaning of what constituted Public Value.

This also highlights the critical role of the leadership in the BBC. However innovative, the iPlayer was simply a promising idea until the BBC Executive took it up. Similarly the Director-General’s public announcement of the Creative Archive was designed to give it momentum (Dyke Interview, 2014). Director-General Mark Thompson appears to have been decisive in shifting the BBC’s emphasis to on-demand provision, at which point the Corporation moved as one to implement it. Conversely during the latter part of 2003 when the Director General’s office became pre-occupied with addressing the issues raised by the Hutton enquiry, it neglected the process of preparing for Charter renewal.

8.3 Effectiveness of BBC Strategy

In chapter four, devoted to methodology, I discussed the issues around assessing the effectiveness of strategy. There I argued for benchmarking outcomes in terms of organisational objectives. This is a judgement that is of necessity provisional as the consequences of action only become apparent over time, and therefore it depends when the judgment is made. It also begs the question in this case: survive in what form? For this we must try to examine all relevant outcomes whether intended or not. The approach I have adopted is to ask to what extent a given strategic outcome contributed towards the BBC's objectives at the time. By and large this has meant: does a particular strategy help the BBC survive in both the short and the long term?

In the short term the BBC's objective was to win Charter renewal and to secure its continued existence. In this it was successful. The adoption of Public Value and the invention of the Test enabled the BBC to launch the new services it felt were vital for survival. As an incumbent under pressure from challengers the BBC responded to its crisis of legitimacy by working to lay the ground rules for a new internal governance unit, the BBC Trust. It did so by proposing to redefine the public service rules of the game in a way that successfully addressed and reconciled the conflicting demands of public service and marketisation to its own advantage. The Test was critical for the resolution of the BBC's crisis of legitimacy. So far only one judgement has gone against the Corporation. The process itself has been accepted by all parties and insulated the new services from further challenge according to the BBC's then Director of Strategy: "Without it, it would've been very difficult for the BBC to have launched a lot of its new services. They would not have been legitimate" (Fairbairn Interview, 2014).

As the leading PSB, the BBC's solution to the crisis has been influential. The Public Value Test, though dismissed by some scholars (Lee, Oakley and Naylor, 2011) as an opportunist and largely rhetorical move by the BBC, has proved a durable feature of the BBC's regulatory framework, adopted by culture and heritage organisations such as the Arts Council England, and by other European public service broadcasters, and incorporated into EU media regulation (European Commission, 2009).

The Test enabled the BBC to implement its on-demand services and launch the iPlayer. This in turn gave the BBC a competitive edge. The iPlayer was the first television catch-up service to gain popular success through its user experience and breadth of content, and has

been followed by other broadcasters in both commercial and public service so contributing to the transition from public service *broadcasting* to public service *media*. It also helped to change the dynamics of the UK broadcasting field by opening the market to new on-demand and streaming services according to Reed Hastings, Netflix Chief Executive: “The iPlayer really blazed the trail. That was long before Netflix and really got people used to this idea of on-demand viewing” (Williams, 2014).

In the UK the iPlayer has become what Tidd, Bessant and Pavitt describe as the dominant design, in the sense of a model that has supplanted other forms of product or service (2009, location 1466). As a result, television audience measurement has also changed. The most widely accepted system, that of the Broadcast Audience Research Board (BARB), now includes catch-up viewing to produce a “consolidated” figure for each programme (Barb, 2015).

However, it should be noted that despite this, early reports of the death of television as we know it have proved premature. On-demand has not yet become, as the then Director-General Mark Thompson suggested in 2006, “the most important” way that we watch television (BBC, 2006a). The BBC does not issue iPlayer numbers as a fraction of overall viewing, but industry estimates tend to put the figure at somewhere between one and three per cent (informtv, 2015). Ofcom reports that “live” viewing on transmission accounted for 69% by the first quarter of 2014, followed by 16% for recorded television, and some 10% for all forms of on-demand including short-form video (Ofcom, 2014, p.10).

The BBC’s adoption of Public Value and its success in developing on-demand services have also had other consequences, many of them unintended. Firstly, the Public Value Test has institutionalised a more marketised definition of public service that emphasises the consumer benefits of the BBC’s new service propositions. Some interviewees were concerned about this. They feared that the more consumer values prevailed over citizen values, and the more successful the BBC became in implementing market measures, the harder it would become to distinguish the BBC from commercial competitors and the more difficult it would be to argue for a separate funding stream for public service broadcasting (Constable Interview, 2014; Olivier Interview, 2014; Terrington Interview, 2014). Also as Cunningham and Flew have noted (2015) a weakness of the Public Value Test approach is that it assumes that media markets are relatively stable and therefore “that one can readily identify the private sector initiatives that would be “crowded out” by the entry of PSM development of new digital and online services,” which may be far from the case.

Thus Charter renewal produced a radical change in the theory and practice of public service broadcasting. For the first time the statutory definition was revised to accommodate the demands of the market. In future the BBC could not trespass on what might be seen as commercial territory; and the demarcation line would be policed by not by the BBC's regulatory body the Trust, but by the new telecommunications regulator Ofcom. The grounds for legitimacy had changed. It was no longer enough to argue that a programme or service offered demonstrable public service benefit alone. It also had to be shown that there was no potential harm to competitors.

But that was far from the only change. The positive contribution of a proposed service as measured by a Public Value Assessment also marked a further step in the marketisation of public service described by Karppinen and Moe as "the emergence of the market as a justificatory framework (and the displacement of other frameworks) for media policy" (2014, p.334).

The measures for assessing Public Value aimed to find a positive rationale for the BBC's role beyond provision for market failure, or meeting consumer needs and wants, to demonstrate the BBC's value to society as a whole. However, the benchmarks employed - reach, quality, value for money and impact - were largely derived from the vocabulary of business, offering efficiency, consumer value, choice and competition (Hendy, 2013).

Where the criteria for Public Value went beyond market measures they were admitted to be "slightly amorphous, and difficult to quantify" (Nagler Interview, 2014). In the short run this vagueness was seen as working to the BBC's advantage. However, in the longer term it may prove to be an Achilles heel. For instance, during the Charter review in 2015 the BBC has struggled to articulate a convincing justification for public service broadcasting, emphasising instead its accountability, efficiency, openness to competition, (BBC, 2014b; 2015a) and contribution to the "creative economy" (Heath, 2015) all arguments couched in terms of market benefits. The risks of this approach are evident, for instance, in calls for the BBC to get out of programme production altogether and leave it to the commercial sector (PACT, 2014).

Digital media innovation has continued unabated at the BBC but as the iPlayer became the dominant design it has focused more and more on incremental improvements to the iPlayer at the expense of other projects. Also the BBC's competitive lead has been eroded as its main competitors have caught up and on-demand provision has become standard. Other

potential problems are the disaggregation of content within iPlayer, which are similar to the disintermediation issues experienced by the music industry, and brand conflicts between the iPlayer and BBC channel identities (Whalley, 2013).

During the transition to the digital television platform in the late 1990s the BBC fought successfully to achieve guaranteed prominence on Electronic Programme Guides, according to then Director-General Birt (Birt, 2002, p.454). With on-demand delivery and the iPlayer on almost seven hundred different devices and platforms the gateways have become more various and complex and the BBC has recognised that it must begin to address both app store prominence and the issue of net neutrality (Bennett et al., 2012, p.7; BBC, 2015c, p.4). Net neutrality is the principle that there must be no barriers to Internet traffic and that all content should be carried at equal cost (Wu, 2003, p.141). As video has come to account for a growing proportion of all traffic online and on mobile platforms, Internet and mobile telecoms providers have begun to argue for the introduction of differential pricing, and this has already been introduced to a limited extent in the USA (Marsden, 2014). The BBC and other public service media organisations have recognised that in order to retain universal access they must make the case for net neutrality (BBC, 2011; 2015c, p.4; Ala-Fossi, 2014;). Net neutrality is itself a complex issue with the potential to offer further challenges to the BBC and public service. The pursuit of net neutrality is one reason given for the European Commission's Single Digital market initiative that may pose issues for the BBC over the geo-blocking of the iPlayer. It includes a call for the iPlayer to be available for British licence-fee payers travelling elsewhere in the EU, for instance which may necessitate changes to rights clearance and payment (Ansip, 2015; European Commission, 2015).

A further concern of some interviewees is that by committing to on-demand services the BBC accelerated the retreat from multiplatform production and so suffered a loss both of the creative potential of interactive media, and what some have seen as the participative potential of public service media (Bardoel and Lowe, 2007).

A number of factors combined to stimulate a ferment of digital media innovation at the BBC, evidenced by the wealth of new services showcased in its Charter bid document. As noted the BBC was encouraged to lead industry innovation to help the Government achieve policy goals (Klontzas, 2013), and further encouraged by the success of Freeview. And aspects of the production culture were also receptive. Programme-makers who prided

themselves on content and format innovation, were joined by digital media developers, for whom innovation was an article of faith (Bennett, 2014).

Yet *Building Public Value* marked a high water mark in terms of BBC innovation and the beginning of a decline. One by one the multiplatform projects were abandoned and innovation became a matter of standardising products and services and building enterprise level platforms. As the Creative Archive case illustrates there were contingent and often compelling reasons for the failure of each project, but common to all was a shift in the basis of legitimation. Originally adopted because they were deemed to offer Public Value, they came to be seen as unlikely to pass a Public Value Test, because unlike the iPlayer and on-demand services they could not be justified in terms of the redefinition of public service online i.e. as simply a way of achieving the BBC's traditional remit through new means. As the grounds for justifying new services adapted to the demands of the Public Value Test, the vision of a more participative form of public service delivered through digital media, despite still featuring in BBC rhetoric, was allowed to fade away.

“The BBC had quite a cautious, incrementalist approach here and I think it was a combination of the sort of market concerns, and the political concerns that we mentioned earlier. What the BBC didn't do, and I'd just don't think it was Mark's style, as I say, was to embrace a bigger, bolder vision a, sort of, compass bearing, albeit it might take twenty years to achieve. In the same way that John [Birt] came back and said, “The web is the third broadcasting medium.” (Deverell Interview, 2014)

Against this must be set against the findings of Vanhaeght and Donders (2014, p.12) among others that such projects have had little success due to the difficulties of demonstrating demand, and persuading audiences to interact and participate.

8.4 Implications for Theory

My findings suggest that the way the BBC went about formulating strategy and putting it into action tended to conform to Mintzberg's (1987a, p.143) analysis, which sees the development and implementation of strategy as interwoven processes that combine to institutionalise major organisational change: “Strategies can *form* as well as be *formulated*. A realised strategy can emerge in response to an evolving situation, or it can be brought about deliberately, though a process of formulation followed by implementation”.

However what is unclear from Mintzberg's account is how the two processes are articulated, and how we can recognise an emergent or emerged strategy. This has implications for how, and when we evaluate the success or effectiveness of strategy. We can test a formalised strategy against its objectives, but how do we form judgements about emergent strategy? We are bound to impute objectives, such as organisational survival, or competitive advantage. From my findings it would appear that the way that planned and emergent BBC strategy came together was dependent upon contingent events and had unforeseen consequences. The emergence of on-demand as the central plank of BBC digital media strategy was both foreseen and unplanned; first rejected as impractical and not an appropriate activity for a public service broadcaster and then recognised as the potential realisation of Hever, it rapidly supplanted other kinds of multiplatform projects to become the dominant form of digital media provision. Similarly the deliberate return to re-think the BBC's remit resulted in the unplanned invention of the Public Value Test with far-reaching consequences.

The BBC process resembles the adhocratic character of Mintzberg's (2003) "innovative organisation." However it is unclear from his discussion of this form of organisation how adhocracy is integrated into or articulated with the more formal bureaucracy. From the findings it appears that there is no necessary connection between the two and that within the BBC the degree of integration could be affected by a number of factors beyond the structural, such as production culture, the broader dynamics of institutional logics and the relative degree of discretion and autonomy available to individual institutional actors.

This research builds upon and complements a number of studies in this area which have explored the relationship between policy, both UK and European, marketisation, the changing character of public service, and the development of digital media, for instance Collins (2007, 2011), Donders (2012) and lastly Brevini (2013) whose work explicitly adopts an institutionalist framework albeit with a European focus. As argued earlier, the preference here is on using the concept of "strategy" rather than "policy" as within an institutionalist context it is the more comprehensive and also the more fertile concept encompassing more of the relevant factors and dynamics.

The findings of this study affirm the relevance of the institutionalist perspective, which highlights the significance of the dynamics of the organisational field, the role of institutional logics and legitimacy, and the process of institutionalisation in understanding the formulation and implementation of both strategy and innovation. The focus here is on

the tensions between the logics of public service and marketisation, and the issues of clarifying and legitimising the public/private boundary that both emerged as key concerns of my interviewees.

From an institutionalist perspective we can see the BBC Charter renewal process as an institutionalised period of contention or crisis in the organisational or strategic action field between incumbents and challengers, a routinised crisis of legitimacy, which tends to provide a mechanism for achieving a settlement result that represents the best balance of the institutional logics that the contending parties can achieve at the time. A key locus of such struggles, as Fligstein and McAdam (2012) suggest, is for the control of the internal governance units, the bodies that both set and arbitrate the institutional logics, i.e. the rules of the game or grounds for legitimacy (in this case initially the BBC Governors, and then the BBC Trust and Ofcom). Such periods of contention feature attempts by all parties to rewrite the rules of the game in their favour. The BBC's solution to its crisis affected the dynamics within the broader field of public service broadcasting as it made the transition to public service media. Indeed, historically strategy development at the BBC typically appears to have been a response to perceived crisis. The success of the BBC in seizing control of the agenda, both in terms of new services, in particular on-demand, and in rewriting the rules of its own governance and redefining the grounds for its legitimacy suggest that an organisation may enjoy a degree of autonomy in such a situation. However this relative autonomy needs to be set against the accommodation the BBC found it had to make. The BBC survived because it accepted a more marketised definition of its core remit and the rules of governance than had been obtained before.

Legitimacy, the need for an organisation to present a coherent and plausible explanation for its actions to all its stakeholders, is a key concept within this framework, and one that forced itself upon my attention during the research process. Legitimacy is a necessary if not sufficient condition of corporate survival. Therefore faced with a crisis of legitimacy an organisation must mobilise to address it and do so successfully or jeopardise its continued existence (Friedland and Alford, 1991, p.246). This is precisely what the BBC did when it redefined the concept of public service as Public Value, developed the Public Value Test, and persuaded the government to accept both in the new Royal Charter (DCMS, 2006b).

Another potentially fruitful approach to the BBC's development of on-demand strategy would be to apply the perspective of value chain and gateway analysis, which has been used to examine the competitive behaviour of broadcasters and online video content

distributors such as Netflix (Evens and Donders, 2013; Doyle, 2014, pp.186). However although there was a strong competitive element to the BBC's behaviour, this can also be understood in institutionalist terms. The BBC's determination under successive Director-Generals, Birt, Dyke and Thompson to prevent gatekeepers on new platforms from coming between the broadcaster and its audiences derived from the importance of maintaining universal access in order to be seen to deliver on its public service remit. Thus the BBC had two powerful motives for its development of new platforms that would ensure direct audience access. It is not always clear whether one or both factors were operative.

Although the BBC was not the first broadcaster in the field with an on-demand and streaming video service, the iPlayer appears to have much in common with the concept of a "disruptive innovation" advocated by the influential theory of Christensen and colleagues (Christensen, 1996; Christensen and Overdorf, 2000) in the sense of a product or service which overturns an existing technology, business model or market. However both the iPlayer and the Creative Archive emerged from a pipeline of new media innovation at the BBC in the early 2000s, a finding that challenges this theory in several ways. Firstly, the BBC as a successful incumbent within its organisational field should not have been, or at the very least was unlikely to be, capable of such game-changing innovation according to Christensen and Overdorf (2000, p.72). Their view is reflected in another account of change in the US broadcast industry which, despite a mention of the iPlayer, depicts the source of innovation in broadcasting as high technology firms from outside the broadcast field such as TiVo, Apple and Google (Lotz, 2014, p.11).

Secondly the same school argues that private sector insurgents play the leading role in innovation. It ignores the innovative potential of the public sector. However Mazzucato (2013, p.16) has argued that the BBC iPlayer is just one example of a public service body providing an environment that encourages innovation. In her analysis, a public sector organisation such as the BBC that is not driven by short-term profit motives is more likely than its private sector equivalent to innovate precisely because it is prepared to take on the associated risk.

Innovation itself is a concept subject to a range of definitions. Most studies approach it as a matter of technology. My respondents tell a different story. The technology was neither the only challenge nor even the major one they say. The principal innovation was in the rights regime the BBC established, and one could add the interface and the breadth of content made available. It recognised and addressed this issue early on so that by the time the

regulatory and technical issues had been resolved, rights were no longer an issue (Samra interview, 2014).

There were other barriers to innovation: the leadership appears to have made little effort to communicate the overarching strategy and instead adopted a passive wait-and-see stance. There was also a sceptical and at times hostile production culture, which showed initial resistance to both the iPlayer and the Creative Archive because of doubts that television programmes would or could ever be delivered over the Internet, or that audiences would choose to access them online.

The path from a good idea to an innovation is one of institutionalisation. What was necessary to turn a proposal into an innovation, and for an invention to become institutionalised within the BBC, was the backing of the leadership. What these findings suggest is that the BBC leadership would adopt a proposal if it were seen to meet either long-term strategic aims such as the iPlayer, which fitted into the Hever vision, or more short-term opportunistic goals as with the Creative Archive, which provided a credible substitute for the troubled Digital Curriculum. But the adoption of a proposal and implementation as an innovation are not the same thing. Only one digital media proposal in *Building Public Value*, the iPlayer and on-demand services, was fully implemented and went on to emerge as the dominant design and become the default BBC digital strategy. For this to happen a number of factors had to come together: audience reception, acceptance by the production culture, leadership backing and funding, and finally legitimacy i.e. the proposal had to be justifiable within a changing definition of what was meant by public service online.

This may explain the difference between my findings and those of Bennett and colleagues (Bennett et al., 2012; Bennett and Kerr, 2012). Focussing on the period before the iPlayer launched I found resistance to the proposal; interviewing after it had launched to great acclaim and manifestly had not disrupted the existing model of television production, Bennett et al. reported acceptance and enthusiasm for on-demand.

Thus these case studies offer an opportunity to explore the relationship between the institutional perspective and a production studies approach. The analytic distinction between the concept of the production culture and that of institutional logics is not always sharply drawn in practice. In some cases it was not entirely clear which was being referred to by interviewees, or indeed whether both were; for instance when Caroline Thomson

described multiplatform projects such as the Creative Archive as “quite counter-cultural in the BBC” (Thomson Interview, 2014). On this occasion it could be argued that both the culture of production “how we do things round here” and institutional logic “how we can justify what we do” were being referred to. Multiplatform production was resisted by programme-makers, and had also become difficult to legitimise in terms of the re-definition of the public service broadcasting remit. However this was not always the case. Several examples of digital media innovation met with scepticism and resistance within the BBC, including the original proposal to develop an Interactive Media Player, the first version of the iPlayer. What this suggests is that when we seek to understand why some innovations such as the iPlayer came to be adopted while others, such as the Creative Archive, were abandoned, the production culture is only one variable that we need to examine. We also need to take into account institutional factors such as the role of the leadership and the grounds for legitimacy. Indeed from an institutionalist standpoint the production culture can be seen as one particular form of legitimacy derived from the success of a specific production model. Where the institutional imperative demands a course of action, the production culture way may take second place.

It may be best to conceive of the relationship between the two approaches as complementary, with areas of difference and some of overlap. There are clear similarities. Production studies focus upon culture as the embodiment of what has proved successful over time for solving problems of both external adaptation and internal integration (Schein, 1996) as expressed in professionals’ self-reflexive narratives (Caldwell, 2008). Institutionalism focuses upon the nexus between organisation and field, and in particular on the concept of legitimacy in terms of the balance of the institutional logics which are defined as: “the socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values, and beliefs, by which individuals and organizations provide meaning to their daily activity, organize time and space, and reproduce their lives and experiences” (Thornton, Ocasio and Lounsbury, 2012, p.1).

However there are also clear differences. These may be illustrated by the fate of the Digital Curriculum where the issue was one of competition and the institutional logic of marketisation. This was a service which was launched at a time when both the UK Government, and the European Commission (Brevini, 2013, p.9) were encouraging PSBs to seek to realise public service objectives through online media. However, under pressure from commercial competitors, the grounds of justification began to change, even for a core public service objective such as education, to the evident surprise and dismay of the BBC

leadership (Thomson Interview, 2014). Resistance from production culture had no role in the demise of the BBC Digital Curriculum. It was a victim of institutional factors, not least the increasing prominence of the institutional logic of marketisation. Although differences between my research outcomes and that of Bennett et al. appear to reflect the chronology of events, both sets of findings contribute to a fuller understanding of the situation. This underlines the potential for complementarity between a production studies and an institutional studies approach.

8.5 Limitations of this study

The principal limitations of this study, discussed in Chapter Four, spring from my methodology. This is a qualitative approach focused on three cases studies within the larger case study of the BBC during a period of Charter renewal, and based upon documentary research and semi-structured interviews. It is designed to try to understand how my subjects made sense of the situation they found themselves in. The first issue is one of validity and generalisability. It is often argued that one cannot draw broader conclusions from a single case study. My mitigation is firstly that this is an exploratory study; and that test and critical case studies can be deployed in natural and social science both to generate hypotheses and to and to raise issues (Brewerton and Millward, 2001, p.56; Bryman, 2008, p.57). The BBC is a single case study, however as the leading and most influential public service broadcaster, not only in Britain but also in Europe, the issues discussed here have had a far wider impact and significance.

The other main issue derives from the fact that the research process is itself a social relationship. As a practitioner turned researcher, the risk was that my background, shared experience and assumptions will have structured how I approached, conducted and interpreted my research material - both documentary sources and interviews. Similarly we do not know what assumptions, motivations and understandings my interview subjects brought to the interview situation. My response to this has been to aim for a critical awareness of all the potential pitfalls, what Alvesson (2011) calls a “reflexive pragmatism” throughout; and also to make my methodology and analysis open and transparent.

As I noted in Chapter Four, my findings represent my interpretation of what I was told by certain individual informants under the circumstances I have outlined at a particular moment in time. Others may judge the validity and reliability of the research results for themselves.

8.6 Possibilities for further research

There are several possible lines of research that flow from this investigation. One is the question of the future of the BBC and of public service media as a legitimate and viable institutional framework, and the related issue of media plurality in the context of the next Charter renewal process already underway as I write in May 2015. Such research would provide an opportunity to examine how the BBC proposes to develop its strategic response to such factors as threats to its competitive position and governance, and the growth of marketisation. It could explore how the concept of public service has changed, currently the subject of a consultation and review by the regulator Ofcom (Ofcom, 2015), and how that may affect the BBC.

In terms of marketisation, not only has the pressure on the BBC increased as noted by Brevini (2013), but there is also now a European Commission proposal to introduce a single European digital market (Ansip, 2015; European Commission, 2015) that could have far-reaching consequences.

Changes are also mooted in relation to the governance and regulation of the BBC. During the preliminary discussion of Charter renewal there have been calls for the BBC to lose its guaranteed funding, to have to compete for funding, and for the licence fee to be replaced by subscription. The future of the BBC Trust has been put into doubt with its new chair, Rona Fairhead, calling for it to be reformed or replaced with some new body (BBC, 2015a). Some have argued that regulation should be taken over by Ofcom. There is also uncertainty over the future scale and scope of the BBC, and the level of its funding.

The issue of gatekeepers and universal access has become more complex and challenging with changes in the value chain due to the increase in competition from new providers of on-demand and streaming media. This raises issues of EPG and app store prominence, and net neutrality and could involve for instance case studies of the YouView connected television service, and the Freeview Connect proposition.

A range of factors is affecting the competitive position of the BBC and other PSBs. First the adoption of on-demand and streaming media by UK broadcasters and the emergence of online competitors such as Netflix has had an impact upon the dynamics of the UK broadcast field in the decade since the iPlayer was first proposed. Secondly the position of an incumbent such as the BBC is further threatened by the effects of the process of

consolidation of ownership in television and telecommunications currently taking place in the UK, the USA and internationally exemplified by such developments as the purchase of Virgin Media, and All3Media by Liberty and Discovery, and the new joint private equity-backed venture combining Shine, Endemol, and Core Media (Deans, 2014). One of the elements of this process has been the perceived need for cable and satellite operators to respond to competition from new online or Over the Top (OTT) competitors. The new head of the regulator Ofcom has said she plans to launch an inquiry into how competition from major Internet companies such as Facebook and YouTube is also affecting the media and telecoms markets in the U.K. (Thomas, 2015). The European Commission's proposed Single Digital Market initiative is also likely to have a bearing on this (European Commission (2015).

All these are significant factors that are likely to feature in the BBC's thinking, and contribute to a sense that once more, the BBC may be facing a crisis (Mair, Tait and Keeble, 2014). Already some features of the BBC response are emerging. In 2014 the Director-General Lord Hall announced a new strategy of what he termed "compete and compare" in which he declared: "We are going to go further than we have ever done before in opening the BBC to more competition. A competition revolution" (BBC, 2014a). This has been followed up by the announcement that the BBC proposes, subject to approval by the BBC Trust, to take the further step of splitting off the bulk of BBC production capacity, excluding News, Current Affairs, Children's programming and Sport, into a new entity, BBC studios, which would become "a wholly owned subsidiary of the Corporation" (BBC, 2015b). Several commentators have seen this as a move towards privatisation. The second aspect is a more Internet centric strategy focused around personalisation through the collection of data from encouraging the audience to sign-in for services (Ibid). This is a reversal of a previous self-denying ordinance on the part of the BBC and follows similar measures adopted by two of its principal competitors Channel4 and ITV.

There are other questions to explore. One is in relation to innovation and broadcasting. An aspect touched upon but not examined in detail here is the behaviour of other UK broadcasters. There is a case for an historical study of how, when and why they developed on-demand and streaming services? Why did Channel 4 decide to develop a download client rather than opt for the streaming model that made the iPlayer such a success? Why did ITV take so long to recognise the potential benefits of on-demand? Another line of enquiry is how the BBC has innovated since. Does it continue to innovate as it did a decade ago, and why? Is its scope for manoeuvre now more limited?

One last possible research area prompted by the outcome of this study would be that of the influence and career trajectories of former BBC personnel, and how this relates to the BBC's institutional position within wider public life. What is apparent is the extent to which those who were senior executives at the BBC during the period under study have gone on to occupy senior positions in other public and broadcast industry bodies. Of my twenty-six interviews, three took place on BBC premises, four at the industry regulator Ofcom including the Director; while my respondents also included the current Director of the British Library, the Director of Kew Gardens, the Chairman of the Football Association and the British Film Institute, a non-Executive director of Lloyds Bank, a senior figure at the innovation think-tank NESTA, and the chair of Digital UK the body responsible for Freeview. At least one of my interviewees also spent time as a senior government advisor under New Labour, and the BBC had close relations with the Labour government. The current Director-General of the BBC, a former Head of BBC News, returned to the Corporation after more than a decade at the Royal Opera House, while the current head of strategy, James Purnell, has also spent much of the intervening period on the Labour front bench including a spell as a Minister at the DCMS. How do their shared experiences, career trajectories, education, and culture interact with the logic and rationality of the institutions in which they work?

8.7 Conclusion

In summary the first point I would wish to draw attention to is the heuristic power and relevance of the institutionalist perspective to the understanding of organisational behaviour. The key point which emerged from my interviews, yet appears lacking in many accounts of the BBC's actions during this period, is the importance of legitimacy, of how the Corporation argued the case for public service and its own continued existence as it struggled with the growing strength of the logic of marketisation. As a researcher the institutionalist framework was an invaluable tool to help make sense of what my interviewees were telling me.

The other main lesson I draw is how pro-active, resourceful and single-minded the BBC can be in its own defence when its institutional survival appears to be a stake. Not only did it prove capable of ground-breaking innovation which gave it a competitive edge over its rivals for several years; but it was also prepared to revisit its fundamental tenets, the public service remit and rewrite it to suit changed circumstances; and then politically agile enough to persuade a hostile government to accept this revision.

The fate of the iPlayer, multiplatform and the Test were intimately bound up together. The adoption of Public Value and the invention of a Public Value Test as the measure of the benefit of public service media, helped shape the BBC's digital media strategy, favouring the rise of on-demand and the iPlayer; but also, and equally importantly for the BBC the iPlayer itself became a form of validation for the Test. Together they have had a significant impact on the BBC and on British television.

Appendices

9.1 Appendix 1 – Invitation email

Draft Research letter

“Dear

I am writing to ask if you might agree to an interview for an academic research project I am undertaking about the development and implementation of the BBC’s distribution strategy with particular reference to its on-demand and streaming media services: iPlayer, RadioPlayer and YouView.

(As you may know) I am a PhD research student at Glasgow University, where my supervisors are Professor Philip Schlesinger and Professor Gillian Doyle of the Centre for Cultural Policy Research www.gla.ac.uk/schools/cca/research/ccpr/. I am also teaching an MA course at Goldsmiths College www.gold.ac.uk/build-your-own-ma/cross-platform-and-social-media-strategies/.

The main element of my research will consist of interviews with key people involved with this process. I anticipate that each interview will be around an hour in length. Anything said in an interview will be in confidence and will only be quoted in the finished research document with your written permission.

Thanking you in advance,

Mike Flood Page”

9.2 Appendix 2 – Consent form

CONSENT TO THE USE OF DATA

University of Glasgow, College of Arts Research Ethics Committee

I understand that Mike Flood Page is collecting data in the form of recorded interviews for use in an academic research project at the University of Glasgow.

The research is about the BBC's media distribution strategy with particular reference to its on-demand and streaming services: iPlayer, YouView, and the Archive. The research will explore the process of development and implementation of this strategy over the past decade, the thinking behind it, and how effective it has been. The aim is to contribute towards a greater understanding of how and why this came to be so, and the implications for the BBC and the wider broadcast industry. The research method combines documentary and online sources with an examination of the services themselves, and a series of interviews with key participants.

I give my consent to the use of data for this purpose on the understanding that the material will be:

- Treated as confidential and kept in secure storage at all times
- Used in future academic research and publications in print or online
- Quoted directly only on condition that the contributor has given written permission to do so

Signed by the contributor.....

Date:.....

Researcher's name and email contact:

Mike Flood Page m.flood-page.1@research.gla.ac.uk

Supervisor's name and email contact:

Professor Philip Schlesinger phlip.schlesinger@glasgow.ac.uk;

Professor Gillian Doyle gillian.doyle@glasgow.ac.uk

Department address:

Centre for Cultural Policy Research, 13 Professor Square, University of Glasgow, Glasgow, G12 8QQ.

9.3 Appendix 3 – Interview Schedule

Draft Interview Schedule Mike Flood Page - October 2013

I will begin by briefly reminding the interviewee of the focus of my research, the context and the ground rules of the interview including the issue of informed consent for any quotation or attribution. These are explained in my initial letter to each. I have included a draft of this below. In each case this will be tailored to the particular individual.

The questions will be a little different in each case depending upon their role and responsibilities, which decisions they were involved with, and their degree of involvement in the decision-making process.

Research Questions:-

(This first question will be for any case where I am not already clear): what was your position at the BBC? What involvement did you have in the planning or implementation of any of the following:-

The BBC iPlayer, iPlayer Radio, podcasts, YouView; and/or the BBC strategy documents Building Public Value and Creative Future

Then, depending upon the answer to this broad question, I will follow up on each particular area of strategy and implementation as follows:-

What were the key moments in BBC on-demand strategy?

What were the outcomes?

What was the process of strategy development?

Who made the key strategic decisions?

What issues or dilemmas did you face?

What were your priorities and why?

What factors affected your decisions?

Prompts, if not volunteered: broader BBC strategy; political factors such as Charter renewal, Hutton; regulatory issues such as the establishment of Ofcom, the Public Value Test; the evolution of Public Service into Public Value; the requirement and need to sustain universal access; the need to preserve the Licence Fee; changing audience behaviour and expectations; competitor behaviour; and evolving technology. How effective or successful do you feel has this strategy been, and why?

Is there anything else significant which we have omitted to cover which you feel affected the process of development and implementation of BBC on demand strategy from 2002-2012?

Do you have any further questions? Thank you.

9.4 Appendix 4 – Interviews

N.B. all interviews were conducted using a digital audio recorder, mainly an iPhone and were transcribed by a professional agency.

Name	BBC Title	Location of interview	Date
Tony Ageh	Controller Internet, Home Page and Search 2000-6, Controller BBC Archive Development 2010-	BBC Broadcast Centre, London, W12	2nd June 2014
George Auckland	Head of Innovation BBC Learning 2001-2011	Royal Institution, London, W1.	14th August 2014
Glenwyn Benson	Controller Factual and Learning 2003-2006	Carluccio's London, W4.	24rd June 2014
Charles Constable	Head of Director-General's Office for Greg Dyke 2000-2003, Charter bid team co-leader 2003-2004	Arquiva, London, W1.	7th July 2014
Richard Deverell	Head of BBC News Interactive 2000-2005	Kew Gardens, Richmond, Surrey.	1st August 2014
Greg Dyke	Director-General	F.A. Offices,	19th February 2014

	2000-2004	Wembley Stadium	
Carolyn Fairbairn	Director of Strategy and Distribution 2000-2005	Home, London, W1.	12th March 2014
Paul Gerhardt	Controller Adult Learning 2001-2004, Co-Director Creative Archive 2004-2006	BFI, London, W1.	17th February 2014
Richard Halton	Controller TV Strategy 2003-2005	YouView, London, EC3.	9th June 2014
Roly Keating	Controller BBC4, 2001-2002, Co-leader Building Public Value 2003-2004, Controller BBC2 2004-2008	British Library, London NW1.	4th March 2014
Jon Kingsbury	Head of Editorial Affairs, BBC New Media 2002-2005	Nesta, London, EC1.	21st January 2014
Paula Le Dieu	Co-Director Creative Archive 2003-2006	Mozilla Foundation, London, WC2.	2nd June 2014
Danielle Nagler	Project Manager, Charter Review, 2002-2003, Senior Adviser 2003-2005, Head of	Home, London, NW.	23rd July 2014

	Director General's Office 2005-2008		
Simon Nelson	Head of Strategy BBC Radio 1998-99, Controller Interactive Radio and Music, 2000-2006, Controller Multiplatform and Portfolio Services 2007-2010	Open University, Falkland Road, London NW1. British Library, London, NW1	17th October 2013 20th August 2014
Jeremy Olivier	Head of Strategy, New Media 2000-2005	Ofcom, London, SE1.	4th February 2014
Ed Richards	Controller of Corporate Strategy 1995-1999, Senior Partner, Ofcom 2003-2005, Chief Operating Officer Ofcom 2005-2006, Chief Executive Ofcom 2006-2015	Ofcom, London, SE1.	14th May 2014
Bal Samra	Director of Business and Finance 2000-2010, Director Operations and Rights 2012-2014, Commercial Director and	BBC Media Centre, London W12.	26 August 2014

	Managing Director TV 2014-		
Dan Taylor	Project Co-ordinator, Radio and Music Interactive 2002-2005	BBC Media Centre	18th June 2014
Simon Terrington	Owner Human Capital 1995-2009, Owner Terrington & Company 2009-	British Library, London NW1. BATA, London,	4th March 2014 18th March 2014
James Thickett	Controller Business Strategy, 2000-2005	Ofcom, London, SE1.	3rd September 2013 21st July 2014
Bill Thompson	Freelance journalist 1996-2009, Head of Partnership Development, BBC Archives 2009-	New Broadcasting House, London W1.	20th January 2014
Caroline Thomson	Director of Policy and Legal Affairs 2000-2004, Director of Policy and Strategy 2004-2006, Chief Operating Officer 2006-2012	Digital UK, London, W1.	15th July 2014
Mark Wakefield	Head of Performance, BBC	Home, London,	4th December 2013

	Trust 2003-2011	NW1.	
Richard Williams	Head of Multiplatform Production 1999- 2011	Yahoo, London, WC2.	14th July 2014
Chris Woolard	Deputy Director BBC Trust 2005- 2009	By Telephone	5th February 2014

List of References

- Abrutyn, S. and Van Ness, J. (2015) The role of agency in sociocultural evolution: Institutional entrepreneurship as a force of structural and cultural change. *Thesis Eleven*. 127 (1), pp. 52-77. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 17 April 2015].
- Ala-Fossi, M. (2014) PSM dilemmas with Net Neutrality. *Paper for Work Group 5: PSM and Convergence RIPE@2014 Conference, Public Service Media Across Boundaries*. Tokyo, Japan. 27 – 29 August, 2014.
- Alford, J. and O'Flynn, J. (2009) Making Sense of Public Value: Concepts, Critiques and Emergent Meanings. *International Journal of Public Administration*. 32 (3-4), pp. 71-191. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 24 February 2015].
- Alvesson, M. (2011) *Interviewing*. London: Sage.
- Andrews, K. R. (1980) The Concept of Corporate Strategy. In: H. Mintzberg, J. Lampel, J.B. Quinn, and S. Ghoshal, eds. (2003) *The Strategy Process: Concepts, Context, Cases*. 4th ed. Harlow: Pearson Education. pp. 72-79.
- Ansip, A. (2015) Turning Europe digital, gathering views for the way forward. *European Commission*, [blog post] 25 March. Available at: <http://ec.europa.eu/commission/2014-2019/ansip/blog/turning-europe-digital-gathering-views-way-forward_en> [Accessed 4 April 2015].
- Baldamus, W. (1972) The Role of Discoveries in Social Science. In: T. Shanin, ed. (1980) *The Rules of the Game*. London: Tavistock Publications. pp. 276-302.
- BARB (2014) *Channel Viewing Share Chart*. [online] Available at: <http://www.barb.co.uk/viewing/trend-graph-channel-viewing-share?data_series%5B%5D=4&period_start=29-12-1991&period_end=29-12-2000&button_submit=View+graph> [Accessed 9 January 2014].

BARB (2015) *How we do what we do*. [online] London: BARB. Available at: <<http://www.barb.co.uk/resources/barb-facts/how-we-do-what-we-do>> [Accessed 26 January 2015].

Bardoel, J. and Lowe, G.F. (2007) From Public Service Broadcasting to Public Service Media. In G.F. Lowe and J. Bardoel, eds. (2007) *From Public Service Broadcasting to Public Service Media*. Göteborg: Nordicom. pp. 9-26.

Barrie, C. (1999) Dictating the BBC's future. *The Guardian*. [online] 24 June. Available at: <<http://www.guardian.co.uk/media/1999/jun/24/bbc.guardiananalysispage?INTCMP=SRCH>> [Accessed 29 July 2013].

Battilana, J. (2006) Agency and Institutions, the Enabling Role of Individuals' Social Position. *Organisation*. 13(5): pp.653–676. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 21 July 2013].

BBC (n.d.a) *BBC Archive* [online] Available at: <<http://www.bbc.co.uk/archive/>> [Accessed 3 February 2015].

BBC (n.d.b) *Emerging technologies*. [online] Available at: <<http://www.bbc.co.uk/aboutthebbc/insidethebbc/whoweare/publicpurposes/communication.html>> [Accessed 23 January 2015].

BBC (n.d.c) *Editorial Guidelines: BBC TV, Radio and Online standards guidelines* [online] Available at: <<http://www.bbc.co.uk/editorialguidelines/>> [Accessed 16 October 2014].

BBC (n.d.d) *Mission and values*. [online] Available at: <http://www.bbc.co.uk/corporate2/insidethebbc/whoweare/mission_and_values> [Accessed 16 February 2015].

BBC (n.d.e) *BBC iPlayer - BBC Four Collections*. [online] Available at: <<http://www.bbc.co.uk/bbcfour/collections>> [Accessed 29 March 2015].

BBC (n.d.f) *Dreams, data and downloads: 20 years of the BBC on the web. BBC Timelines*. [online] Available at: <<http://www.bbc.co.uk/timelines/zpwy87h>> [Accessed 5 September 2014].

BBC (1992) *Extending Choice: The BBC's Role in the New Broadcasting Age*. London: BBC.

BBC (1996) *Extending Choice in the Digital Age*. London: BBC.

BBC (1998a) *The BBC Beyond 2000*. London: BBC.

BBC (1998b) *BBC Unveils Digital TV*. [press release] 21 September 1998. Available at: <<http://news.bbc.co.uk/1/hi/entertainment/174535.stm>> [Accessed 21 August 2013].

BBC (1999) *Birt warns of digital threat*. [press release] 6 July 1999. Available at: <<http://news.bbc.co.uk/1/hi/uk/387079.stm>> [Accessed 10 January 2014].

BBC (2001) *Annual Report and Accounts 2000/2001*. [online] Available at: <<http://www.bbc.co.uk/annualreport/2013/home/>> [Accessed 13 September 2013].

BBC (2002) *Ashley Highfield FT Conference 2002*. [press release] 4 March 2002. Available at: <<http://www.bbc.co.uk/pressoffice/speeches/stories/highfieldft.shtml>> [Accessed 25 February 2014].

BBC (2003a) *Ashley Highfield RTS speech*. [press release] 6 October 2003. Available at: <http://www.bbc.co.uk/pressoffice/speeches/stories/highfield_rts.shtml> [Accessed 16 May 2014].

BBC (2003b) *Charter Renewal Teams*. [press release] 13 March 2003. Available at: <http://www.bbc.co.uk/pressoffice/pressreleases/stories/2003/03_march/13/charterrenewal_teams.shtml> [Accessed 11 November 2013].

BBC (2003c) *Jenny Abramsky National Association of Broadcasters*. [press release] 20 October 2003. Available at: <http://www.bbc.co.uk/pressoffice/speeches/stories/abramsky_nab.shtml> [Accessed 29 August 2013].

BBC (2003d) *BBC THREE is the magic number*. [press release] 23 January 2003.

Available at:

http://www.bbc.co.uk/pressoffice/pressreleases/stories/2003/01_january/23/bbc3.shtml

[Accessed 31 August 2014].

BBC (2003e) *Greg Dyke Richard Dunn Memorial Lecture*. [press release] 24 August 2003.

Available at:

http://www.bbc.co.uk/pressoffice/speeches/stories/dyke_richard_dunn.shtml

[Accessed 24 June 2014].

BBC (2004a) *Building Public Value*. [pdf] London: BBC. Available at:

http://www.bbc.co.uk/foi/docs/bbc_constitution/bbc_royal_charter_and_agreement/Building_Public_Value.pdf

[Accessed 22 August 2012].

BBC (2004b) *Annual Report and Accounts 2003/2004*. [online] Available at:

<http://www.bbc.co.uk/annualreport/2013/download.html>

[Accessed 14 October 2013].

BBC (2004c) *BBC responds to Graf report*. [online] 5 July 2004. Available at:

http://www.bbc.co.uk/pressoffice/pressreleases/stories/2004/07_july/05/graf.shtml

[Accessed 5 February 2014].

BBC (2005) *Thousands flock to catch-up TV trial*. [press release] 29 September 2005.

Available at:

http://www.bbc.co.uk/pressoffice/pressreleases/stories/2005/09_september/28/imp.shtml

[Accessed 7 January 2014].

BBC (2006a) *Mark Thompson Baird Lecture*. [press release] 22 March 2006. Available at:

http://www.bbc.co.uk/pressoffice/speeches/stories/thompson_baird.shtml

[Accessed 24 Jan. 2014].

BBC (2006b) *iMP trial shows TV over the net could revolutionise broadcasting*. [press release] 5 April 2006. Available at:

http://www.bbc.co.uk/pressoffice/pressreleases/stories/2006/04_april/05/imp.shtml

[Accessed 28 Aug. 2013].

BBC (2006c) *Creative Future. Detailed Press Briefing*. [press release] 25 April 2006.

Available at:

<http://www.bbc.co.uk/pressoffice/pressreleases/stories/2006/04_april/25/creative_detail.shtml> [Accessed 27 November 2013].

BBC (2006d) *Mark Thompson RTS Fleming Lecture*. [press release] 25 April 2006.

Available at:

<http://www.bbc.co.uk/pressoffice/speeches/stories/thompson_fleming.shtml> [Accessed 15 September 2013].

BBC (2006e) *BBC reorganises for an on-demand Creative Future*. [press release] 19 July 2006. Available at:

<http://www.bbc.co.uk/pressoffice/pressreleases/stories/2006/07_july/19/future.shtml> [Accessed 6 Feb. 2014].

BBC (2006f) *BBC iPlayer Public Value Test starts*. [press release] 8 August 2006.

Available at:

<http://www.bbc.co.uk/pressoffice/pressreleases/stories/2006/08_august/31/test.shtml> [Accessed 11 April 2015].

BBC (2006g) *Governors unveil detailed proposals for Service Licence framework and Public Value Test*. [press release] 25 October 2006. Available at:

<http://www.bbc.co.uk/pressoffice/pressreleases/stories/2005/10_october/25/licences.shtml> [Accessed 11 April 2015].

BBC (2007) *Ashley Highfield Keynote Speech given at IEA Future of Broadcasting*. [press release] 27 June 2007. Available at: <

http://www.bbc.co.uk/pressoffice/speeches/stories/highfield_nokia.shtml> [Accessed 28 August 2013].

BBC (2008) *Roly Keating appointed as Director of Archive Content*. [press release] 22 July 2008. Available at:

<http://www.bbc.co.uk/pressoffice/pressreleases/stories/2008/07_july/22/archive.shtml> [Accessed 20 February 2014].

BBC (2010) *About BBC Learning Strategy*. [online] Available at:

<<http://www.bbc.co.uk/learning/overview/under19s.shtml>> [Accessed 5 February 2015].

BBC (2011) *Mark Thompson speech: The BBC and the defence of public space*. [press release] 19 January 2011. Available at:
http://www.bbc.co.uk/pressoffice/speeches/stories/thompson_oxford.shtml [Accessed 4 December 2014].

BBC (2012) *George Entwistle: speech to BBC staff*. [press release] 18 September 2012. Available at: <http://www.bbc.co.uk/mediacentre/speeches/2012/george-entwistle-to-staff> [Accessed 5 December 2014].

BBC (2013) *Getting back to what we do best – Director-General Tony Hall unveils his vision for the BBC*. [press release] 10 October 2013. Available at:
<http://www.bbc.co.uk/mediacentre/latestnews/2013/dg-speech-main.html> [Accessed 6 December 2013].

BBC (2014a) *Tony Hall speech at the 'Future of the Licence Fee' seminar, City University, London*. [press release] 10 July 2014. Available at:
<http://www.bbc.co.uk/mediacentre/speeches/2014/dg-city-university> [Accessed 5 December 2014].

BBC (2014b) *BBC iPlayer Performance Pack October 2014*. [press release] 25 November 2014. Available at: <http://www.bbc.co.uk/mediacentre/latestnews/2014/iplayer-performance-pack-oct14> [Accessed 26 January 2015].

BBC (2015a) *BBC Governance - The Case For Intelligent Reform*. [online] 5 March 2015. Available at:
http://www.bbc.co.uk/bbctrust/news/speeches/2015/oxford_media_convention [Accessed 5 March 2015].

BBC (2015b) Tony Hall speech “The BBC in the Internet era”, delivered 2 March 2015. [press release] 2 March. Available at:
<http://www.bbc.co.uk/mediacentre/speeches/2015/tony-hall-bbc-Internet-era> [Accessed 2 March 2015].

BBC (2015c) *Public Service Content in a Connected Society: Submission to Ofcom’s third review of public service broadcasting* [pdf] Available at:

<http://stakeholders.ofcom.org.uk/consultations/psb-review-3/?showResponses=true>
[Accessed 27 April 2015].

BBC Governance and Strategy Unit (2006) *Draft Cold Test for the Creative Archive*
[unpublished] February 2006. London: BBC.

BBC Internet Blog (2014a) The BBC Networking Club. *BBC Internet blog*. [blog] 25 April 2014 Available at: <<http://www.bbc.co.uk/programmes/p01xz2d9>> [Accessed 22 December 2014].

BBC Internet Blog (2014b) 11 April 1994 launch of BBC Networking Club, History of the BBC. *BBC Internet Blog* [online] 10 April 2014. Available at: <<http://www.bbc.co.uk/programmes/p01x6fgw>> [Accessed 22 December 2014].

BBC Trust (n.d. a) *BBC Charter and Agreement*. [online] Available at: <http://www.bbc.co.uk/bbctrust/governance/regulatory_framework/charter_agreement.htm> [Accessed 19 December 2014].

BBC Trust (n.d. b) *Public purposes and purpose remits*. [online] Available at: <http://www.bbc.co.uk/bbctrust/governance/tools_we_use/public_purposes.html> [Accessed 7 April 2014].

BBC Trust (2005) *BBC on-demand services Deliberative Jury Results*. [pdf] Available at: <http://www.bbc.co.uk/bbctrust/governance/tools_we_use/new_services/pvt/on_demand_supporting.html> [Accessed 27 January 2015].

BBC Trust (2007a) *Trust approves BBC's on-demand proposals*. [online] 25 April 2007. Available at: <http://www.bbc.co.uk/bbctrust/news/press_releases/2007/on_demand_approval.html> [Accessed 25 February 2014].

BBC Trust (2007b) *BBC Trust suspends BBC Jam*. [online] 14 March 2007. Available at: <http://www.bbc.co.uk/bbctrust/news/press_releases/2007/bbc_jam.html> [Accessed 30 July 2014].

BBC Trust (2007c) *On-demand services - supporting evidence*. [online] 25 April 2007.

Last updated 23 September 2014. Available at:

<http://www.bbc.co.uk/bbctrust/governance/tools_we_use/new_services/pvt/on_demand_supporting.html> [Accessed 27 January 2015].

BBC Trust (2007d) *Public Value Test (PVT): Guidance on the conduct of the PVT*.

[online] Available at: < www.bbc.co.uk/bbctrust/assets/files/pdf/.../pvt/pvt_guidance.pdf>

[Accessed 10 September 2014].

BBC Trust (2008) *BBC Jam and future BBC learning strategy*. [online] 27 February 2008.

Available at:

<http://www.bbc.co.uk/bbctrust/our_work/services/online/service_licences/bbc_jam>

[Accessed 5 February 2015].

BBC Trust (2009a) *Local video proposal*. [online] 23 February 2009. Available at:

<http://www.bbc.co.uk/bbctrust/governance/tools_we_use/new_services/pvt/local_video_proposal.html> [Accessed 14 January 2014].

BBC Trust (2009b) *BBC Trust rejects BBC proposal for online federation of public service broadcasters*. [online] 20 October 2009. Available at:

<http://www.bbc.co.uk/bbctrust/news/press_releases/2009/open_iplayer> [Accessed 28

April 2015).

BBC Trust (2010a) *Trust completes BESA fair trading appeal process*. [press release] 25

March 2010. Available at:

<http://www.bbc.co.uk/bbctrust/news/press_releases/2010/besa.html> [Accessed 14

August 2014].

BBC Trust (2010b) *Canvas Proposals Final Conclusions*. [press release] 25 June 2010.

Available at:

<http://www.bbc.co.uk/bbctrust/our_work/services/making_content_available/canvas_final.html> [Accessed 4 September 2013].

BBC Trust (2014a) *BBC Trust responds to proposed changes to BBC Three*. [press release]

6 March 2014. Available at:

<http://www.bbc.co.uk/bbctrust/news/press_releases/2014/bbc_three.html> [Accessed 31 August 2014].

BBC Trust (2014b) *BBC Trust approves proposals for BBC Store*. [press release] 23 March 2014. Available at:

<http://www.bbc.co.uk/bbctrust/news/press_releases/2014/bbc_store.html> [Accessed 17 July 2014].

BBC Trust (2014c) *Trust approves 30-day catch up window for BBC iPlayer*. [press release] 4 April 2014. Available at:

<http://www.bbc.co.uk/bbctrust/news/press_releases/2014/iplayer.html> [Accessed 31 August 2014].

BBC Written Archives Centre (1998) *R152/109/1 D070-005-011*. 23 and 24 September 1998.

BBC Written Archives Centre (1999) *R152/118/1 D070-005-016*. 23 and 24 November 1999.

Bennett, J. (2007) Interfacing the Nation: Remediating Public Service Broadcasting in the Digital Television Age. *Convergence, The International Journal of Research into New Media Technologies*. 14(3), pp. 277-294. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 20 March 2014].

Bennett, J. (2011) TV As Digital Media. In J. Bennett, and N. Strange, eds. (2011) *Television as Digital Media*, Duke University Press, Durham. pp. 132-157.

Bennett, J. (2012) Is Multiplatform a Dirty Word? *CST online* [blog] Available at: <<http://cstonline.tv/multiplatform-dirty-word>> [Accessed 28 March 2014].

Bennett, J. (2014) *Getting It: Understanding Television as Digital Media*. (Unpublished journal article).

Bennett, J. and Kerr, P. (2012) A 360° public service sector: The role of independent production in the UK's public service broadcasting landscape. In: G. F. Ferrell Lowe and J.

Steemers, eds. (2012) *Regaining the Initiative for Public Service Media RIPE@2011 Reader*. Göteborg: Nordicom, University of Gothenburg. pp. 219-235.

Bennett, J. and Strange, N. (2008) The BBC's Second-Shift Aesthetics: Interactive Television, Multi-Platform Projects and Public Service Content for a Digital Era. *Media International Australia*, (126), pp. 106-119. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 12 March 2012].

Bennett, J. and Strange, N. (2011) *Television as Digital Media*. Durham and London: Duke University Press.

Bennett, J., Strange, N., Kerr, P. and Meldrado, A. (2012) *Multiplatforming Public Service Broadcasting: The economic and cultural role of UK Digital and TV independents*. London: Royal Holloway, University of London.

Berger, P.L. and Luckman, T. (1967) *The Social Construction of Reality*. London: Penguin.

Birt, J. (2002) *The Harder Path*. London: Time Warner.

Blaug, R. Horner, H. and Lekhi, R. (2006) Public Value, politics and public management. A literature review. *The Work Foundation Reports* [online] Available at: <<http://www.theworkfoundation.com/Reports/117/Public-value-politics-and-public-management-A-literature-review>> [Accessed 10 January 2014].

Blyth, T. (2012) *The Legacy of the BBC Micro*. London: Nesta.

Born, G. (2002) *Public Service Broadcasting and Digital Television in the UK: The BBC, Channel 4, and the Politics of Positioning*. [online] Available at: <<http://ripeat.org/2010/public-service-broadcasting-and-digital-television-in-the-uk-the-bbc-channel-4-and-the-politics-of-positioning/>> [Accessed 14 August 2013].

Born, G. (2004) *Uncertain Vision*. Secker & Warburg: London.

Bourdieu, P., and Wacquant, J.D. (1992) *An Invitation to Reflexive Sociology*. London: University of Chicago Press.

Bourdieu, P. (1996) Understanding. *Theory Culture Society*, 13(2), pp. 17-37. [e-journal]
Available through: University of Glasgow Library website
<<http://www.gla.ac.uk/services/library/>> [Accessed 10 March 2014].

Brevini, B. (2013) *Public Service Broadcasting Online*. London: Palgrave MacMillan.

Brewerton, P. and Millward, L. (2001) *Organisational Research Methods*. London: Sage.

Broadcast (1999) Television's tribal gatherings. *Broadcast*. [online] April 30 1999.
Available at: <<http://www.broadcastnow.co.uk/demographics-televisions-tribal-gatherings/1213944.article>> [Accessed 22 December 2014].

Broadcast (2001) An audience with Ashley Highfield. *Broadcast*. [online] 10 April 2001.
Available at: <<http://www.broadcastnow.co.uk/an-audience-with-ashley-highfield/1173223.article>> [Accessed 5 May 2015].

Bryman, A. ed. (2007) *SAGE Benchmarks in Social Research Methods: Qualitative research 2*. (Vols. 1-4). London: SAGE.

Bryman, A. (2008) *Social Research Methods*. 3rd ed. Oxford: Oxford University Press.

Bulkley, K. (2012) ITV pioneers new micropayments strategy. *The Guardian* [online] 13 July 2012. Available at: <<http://www.theguardian.com/media-network/media-network-blog/2012/jul/13/itv-micropayments-tv-television>> [Accessed 5 December 2014].

Burns, M. and Brügger, N. (2012) *Histories of Public Service Broadcasters on the Web*. New York: Peter Lang.

Butterworth, B. (2007) Brandon's History of online BBC. *BBC Internet Blog*. [blog] 18 December 2007. Available at:
<http://www.bbc.co.uk/blogs/bbcInternet/2007/12/brandons_history_of_bbc_on_the_2.html> [Accessed 3 July 2012].

Butterworth, B. (2008) History of the 'BBC Redux' Project. *BBC Internet Blog*. [blog] 27 October 2008. Available at:
http://www.bbc.co.uk/blogs/legacy/bbcInternet/2008/10/history_of_the_bbc_redux_project.html [Accessed 29 January 2013].

Caldwell, J.T. (2008) *Production Culture*. Durham: Duke University Press.

Cave, M., Collins, R., Crowther, P. (2004) Regulating the BBC. *Telecommunications Policy*, 28, 249–272. Available through: University of Glasgow Library website
<<http://www.gla.ac.uk/services/library/>> [Accessed 13 January 2015].

Chakravarthy, B.S. and Doz, Y. (1992) Strategy Process Research: Focusing on Corporate Self-Renewal. *Strategic Management Journal*, 13, pp. 5-14 [online] Available at:
<<http://www.jstor.org/stable/2486349>> [Accessed 12 December 2012].

Channel Four (2006) *Channel 4 Launches 4oD Video-On-Demand Service*. [press release] 16 November 2006. Available at: <<http://www.channel4.com/info/press/news/channel-4-launches-4oD-video-on-demand-service>> [Accessed 21 January 2015].

Chibber, K. (2009) How Anthony Rose made the BBC's iPlayer a huge hit. *Wired UK*. [online] April 15 2009. Available at:
<<http://www.wired.co.uk/magazine/archive/2009/05/features/the-man-who-saved-the-bbc>> [Accessed 8 Jan. 2014].

Christensen, C. M. (1997) *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*. Cambridge: Harvard University Press.

Christensen, C. M. and Overdorf, M. (2000) Meeting the Challenge of Disruptive Technologies. *Harvard Business Review*, 78 (2), March-April, pp. 66-76. [e-journal] Available through: University of Glasgow Library website
<<http://www.gla.ac.uk/services/library/>> [Accessed 12 March 2012].

Collins, R. (2006) *The BBC and Public Value*. CRESC Working Paper Series No. 19 Milton Keynes: Open University.

Collins, R. (2007a) *Public Value and the BBC*. London: The Work Foundation.

Collins, R. (2007b) The BBC and public value. *Medien und Kommunikationswissenschaft*, 65 (2), pp. 164–184. [e-journal] Available through: University of Glasgow Library website
<<http://www.gla.ac.uk/services/library/>> [Accessed 2 May 2012].

Collins, R. (2011) Public Value, the BBC and Humpty Dumpty Words. In: K. Donders and H. Moe (2011) *Exporting The Public Value Test The Regulation of Public Broadcasters' New Media Services Across Europe*. Gothenburg: Nordicom. pp. 49-57.

Competition Commission (2009) *Homepage for the Project 'Kangaroo' Investigation*.

[online] Available at:

<<http://webarchive.nationalarchives.gov.uk/+/http://www.competition-commission.org.uk/inquiries/ref2008/kangaroo/>> [Accessed 15 April 2014].

Conlan, T. (2015) BBC to hive off production of top shows into studios division. *The Guardian* [online] 2 March 2015. Available at:

<<http://www.theguardian.com/media/2015/mar/02/bbc-production-top-shows-studios-division-doctor-who>> [Accessed 12 April 2015].

Cox, B. (2003) The Reformation of the BBC. *The Guardian* [online] 4 February 2003.

Available at: <<http://www.guardian.com/media/2003/feb/044/bbc.broadcasting1>>

[Accessed 8 November 2013].

Coyle, D. and Woolard, C. (2010) *Public Value in Practice*. [online] BBC Trust. Available

at: <http://www.bbc.co.uk/bbctrust/governance/tools_we_use/public_value_practice.html>

[Accessed 18 February 2014].

Crabtree, J. (2004) The Revolution that Started in a Library. *The New Statesman* [online]

27 September. Available at: <<http://www.newstatesman.com/node/148947>> [Accessed 12

January 2015].

Creative Archive Licence Group (n.d.) *Creative Archive Licence Group homepage*.

[online] Available at: <<http://www.bbc.co.uk/creativearchive/>> [Accessed 3 February 2015].

Creative Commons (n.d.) *About The Licenses* [online] Creative Commons. Available at:

<<https://creativecommons.org/licenses/>> [Accessed 3 February 2015].

Cunningham, S. and Flew, T. (2015) Reconsidering Media Economics: From Orthodoxies to Heterodoxies. *Media Industries* 2(1). [e-journal]. Available at: <

<http://www.mediaindustriesjournal.org/index.php/mij/article/view/92/162>> [Accessed 26 May 2015].

Davies, G. (2004) *The BBC and Public Value*. [online] 3 December 2004. Social Market Foundation. Available at: <<http://www.smf.co.uk/publications/the-bbc-and-public-value/>> [Accessed 13 January 2015].

Deacon, D., Pickering, M., Golding, P. and Murdock, G. (2010) *Researching Communications: A Practical Guide to Methods in Media and Cultural Analysis*. 2nd ed. London: Bloomsbury.

Dean P. (2006) BBC Online. In: D. Gomery, and L. Hockley, eds. (2006) *Television Industries*. London: BFI Publishing. pp. 19-22.

Deans, J. (2003) BBC steps up charter campaign. *The Guardian* [online] 5 February 2003. Available at: <<http://www.theguardian.com/media/2003/feb/05/bbc.broadcasting>> [Accessed 5 November 2013].

Deans, J. (2014) Sophie Turner Laing to head merged Endemol and Shine. *The Guardian*, [online] 29 September 2014. Available at: <<http://www.theguardian.com/media/2014/sep/29/sophie-turner-laing-endemol-shine>> [Accessed 4 December 2014].

Debrett, M. (2010) *Reinventing public service television for the digital future*. Bristol: Intellect Books.

DCMS (1999) *The Future Funding of the BBC: Report of the Independent Review Panel, Chairman Gavyn Davies*. London: DCMS.

DCMS (2003a) *Communications Act 2003*. [online] Available at: <<http://www.legislation.gov.uk/ukpga/2003/21/contents>> [Accessed 9 January 2014].

DCMS (2003b) *Tessa Jowell gives approval to BBC Digital Curriculum*. [press release] 9 January 2003. Available at: <http://www.bbc.co.uk/bbctrust/assets/files/pdf/regulatory_framework/service_licences/online/15_digitalcurriculum_approval.pdf> [Accessed 30 July 2014].

DCMS (2003c) *Review of the BBC's Royal Charter*. London: DCMS.

DCMS (2003d) *Tessa Jowell appoints Philip Graf to review the BBC's online*. [online] 23 August 2003. Available at: < <http://www.wired-gov.net/wg/wg-news-1.nsf/54e6de9e0c383719802572b9005141ed/585a401433df3f4e802572ab004b8367?OpenDocument>> [Accessed 12 January 2015].

DCMS (2003e) *Tessa Jowell Publishes BBC online Review*. [online] 23 August 2003. Available at: <http://webarchive.nationalarchives.gov.uk/+http://www.culture.gov.uk/reference_library/media_releases/2442.aspx> [Accessed 30 July 2014].

DCMS (2005) *Green Paper Review of the BBC's Royal Charter: A Strong BBC, Independent of government*. London: HMSO.

DCMS (2006a) *White Paper A Public Service for All: The BBC in the Digital Age*. London: HMSO.

DCMS (2006b) *Charter and Agreement*. [online] Available at: <http://www.bbc.co.uk/bbctrust/governance/regulatory_framework/charter_agreement.htm> [Accessed 9 January 2014].

Department of National Heritage (1992) *The future of the BBC: A consultation document*. London: Her Majesty's Stationery Office.

Department of National Heritage (1997) *Copy of Royal Charter for the Continuance of the British Broadcasting Corporation*. Available from BBC Royal Charter archive. [online] Available at: <http://www.bbc.co.uk/bbctrust/governance/regulatory_framework/charter_archive.html> [Accessed 9 January. 2014].

Department of National Heritage and British Broadcasting Corporation (1995) *Broadcasting: a draft of an agreement between Her Majesty's Secretary of State for National Heritage and the British Broadcasting Corporation*. London: HMSO. [online] Available at: <<http://www.legislation.gov.uk/ukpga/1996/55/contents>> [Accessed 22 August 2013].

Dogrue, L. (2013) Opening the Black Box. The Conceptualising of Media Innovation. In: T. Storsul and A.H. Krumsvik, eds. (2013) *Media Innovations, A Multidisciplinary Study of Change*. Gothenburg: Nordicom.

Donders, K. (2012) *Public Service Media and Policy in Europe*. Basingstoke: Palgrave Macmillan.

Donders, K. and Pauwels, C. (2008) Does EU Policy Challenge the Digital Future of Public Service Broadcasting? An Analysis of the Commission's State Aid Approach to Digitization and the Public Service Remit of Public Broadcasting Organizations. *Convergence: The International Journal of Research into New Media Technologies*. [online]. August. 14(3), pp. 295-311. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 17 September 2013].

Donders, K., and Pauwels, C. (2010) The introduction of an ex ante evaluation for new media services: Is Europe asking for it, or does public service broadcasting need it? *International Journal of Media and Cultural Politics*, 6 (2) 1 September 2010, pp. 133-148 [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 21 August 2014].

Doyle, G. and Frith, S. (2004) *Researching Media Management and Media Economics: Methodological Approaches and Issues*. 6th World Media Economics Conference. Montreal, Canada, 12-15 May 2005.

Doyle, G. (2013) *Understanding Media Economics*. 2nd ed. London: Sage.

Doyle, G. (2014) Re-invention and survival: newspapers in the era of digital multiplatform delivery. *Journal of Media Business Studies*, 10 (4). pp. 1-20. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 20 January 2015].

Dyke, G. (2004) *Inside Story*. London: Harper Collins.

Elstein, D. (2004) Building Public Value: the BBC's New Philosophy. *19th IEA Current Controversies Paper*. London: Institute of Economic Affairs.

Elstein, D., Cox, B., Donahue, B., Graham, D. and Metzger, G. (2004) *Beyond the Charter: The BBC after 2006*. London: Premium Publishing.

Emirbayer, M. and Mische, A. (1998) What Is Agency? *American Journal of Sociology*, 103(4), pp. 962–1023.

Enli, G.S. (2008) Redefining Public Service Broadcasting: Multi-Platform Participation. *Convergence*, 14(1), p. 105-118. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 6 March 2015].

European Commission (2003) Case N37/2003 on BBC Digital Curriculum, OJ C 271/47.

European Commission (2009) *Communication from the European Commission (2009/C257/01) of 2 July 2009, on the Application of State Aid Rules to Public Service Broadcasting, adopted 27th October, OJ C 257*.

European Commission (2015) *Digital Single Market. Digital Agenda for Europe*. [online] Available at: <ec.europa.eu/digital-agenda/access-digital-single-market> [Accessed 6 May 2015].

Evens, T. (2013) Platform Leadership in Online Broadcasting Markets. In: M. Friedrichsen and W. Mühl-Benninghaus eds. *Handbook of Social Media Management. Value Chain and Business Models in Changing Media Markets*. Berlin: Springer.

Evens, T. and Donders, K. (2013) Carriage disputes in Europe: a framework for analysing power conflicts in broadcaster-to-distributor markets. *European Media Management Association Conference, Bournemouth, UK*. 13-15 June 2013.

Fitzgerald, B. F. (2005) Open Content Licencing (OCL) for Open Educational Resources. In: *OECD Expert Meeting on Open Educational Resources*, 6 and 7 February 2006, Malmo, Sweden. (Unpublished).

Fligstein, N. and McAdam, D. (2012) *A Theory of Fields*. [Kindle version] Oxford University Press. Available at: Amazon.co.uk <<http://www.amazon.co.uk>> [Accessed 9 January 2014].

Flyvberg, B. (2006) Five Misunderstandings About Case-Study Research. *Qualitative Inquiry*. 12 (2), pp. 219-245. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 6 September 2014].

Fowler, B. (1996) An Introduction to Pierre Bourdieu's 'Understanding'. *Theory Culture Society*, 13 (1), pp.1-16. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 12 September 2014].

Freedman, L. (2013) *Strategy*. [Kindle version] Available at: Amazon.co.uk <<http://www.amazon.co.uk>> [Accessed 14 February 2014].

Friedland, R. and Alford R.R. (1991) Bringing Society Back. In: Symbols, Practices, and Institutional Contradictions. In: W.W. Powell, and P.J. DiMaggio, eds. (1991a) *The New Institutionalism in Organisational Analysis*. London: University of Chicago Press. Ch.10.

Froud, J., Johal, S., Leaver A., Phillips, R., and Williams, K. (2006) Stressed by choice: a business model analysis of the BBC. *Centre for Research on Sociocultural Change Working Papers*. [online] Available at: <<http://www.cresc.ac.uk/publications/stressed-by-choice-a-business-model-analysis-of-the-bbc>> [Accessed 19 November 2012].

Galbraith, J. A. (1983) Strategy and Organization Planning. In: H. Mintzberg, J. Lampel, J.B. Quinn, and S. Ghoshal, eds. (2003) *The Strategy Process: Concepts, Context, Cases*. 4th ed. Harlow: Pearson Education. pp. 226 -234.

Gassée, J-L. (2014) Clayton Christensen Becomes His Own Devil's Advocate. *Monday Note*. [blog] 24 November. Available at: <<http://www.mondaynote.com/2014/11/24/clayton-christensen-becomes-his-own-devils-advocate/>> [Accessed 24 November 2014].

Geertz, C. 1973. *The Interpretation of Cultures*. London, Fontana Paperback edition. 1993.

Gerth, H.H., and Wright Mills, C. (1970) *From Max Weber*. London: Routledge & Kegan Paul.

Gibson, O. (2008) 'The last bastion is the living room'. *The Guardian*. [online] 13 October 2008. Available at: <<http://www.theguardian.com/media/2008/oct/13/bbc-microsoft>> [Accessed 15 April 2014].

Giddens, A. (1986) *The Constitution of Society*. Paperback edition. Berkeley and Los Angeles: University of California Press.

Gitlin, T. (2003) *The Whole World is Watching: Mass Media in the Making and Unmaking of the New Left*. London: University of California Press. Available at: Google Books <<http://books.google.com>> [Accessed 20 March 2014].

Goffman, E. (1975) *Frame Analysis*. Harmondsworth: Peregrine Books.

Goldthorpe, J. H., Lockwood, D., Bechhofer, F., and Platt, J. (1968) *The Affluent Worker: Industrial Attitudes and Behaviour*. Cambridge: Cambridge University Press.

Graf, P. (2004) *Report of the Independent Review of BBC Online*. [pdf] Available at: <http://news.bbc.co.uk/nol/shared/bsp/hi/pdfs/05_07_04_graf.pdf> [Accessed 2 July 2012].

Guardian (2002) Timeline: BBC online. *The Guardian* [online] 11 December 2002. Available at: <www.guardian.co.uk/media/2002/dec/11/newmedia.bbc?INTCMP=SRCH> [Accessed 10 September 2012].

Hansard (2000) *House of Commons Hansard Debates for 21 Feb 2000* Column 1240 (pt 6). [online]. Available at: <<http://www.publications.parliament.uk/pa/cm199900/cmhansrd/vo000221/debtext/00221-06.htm>> [Accessed 14 January 2014].

Harvey, S. (2010) No Jam Tomorrow? State Aid Rules and the Legitimacy of Public Service Media: the Closure of the BBC's Digital Curriculum Project ('Jam'). RIPE Conference. London. 8-11 September 2010. [online] Available at: <<http://ripeat.org/wp-content/uploads/tdomf/1947/Harvey.pdf>> [Accessed 21 August 2013].

Heath, J. (2015) The BBC's role in the creative economy. *About the BBC*. [blog] 5 February 2015. Available at: <<http://www.bbc.co.uk/blogs/aboutthebbc/entries/6f413249-6957-4288-a1bb-5979427a5f6e>> [Accessed 26 September 2015].

Hendy, D. (2013) *Public Service Broadcasting*. London: Palgrave MacMillan.

Hermida, A. (2010) E-Democracy Remixed: Learning from the BBC's Action Network and the shift from a static commons to a participatory multiplex. *JeDEM – eJournal of eDemocracy and Open government*, 2 (2) pp. 119 – 130. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 9 January 2014].

Hesmondhalgh, D., Nisbett, M., Oakley, K. and Lee, D. (2015) Were New Labour's cultural policies neo-liberal? *International Journal of Cultural Policy*. (21) 1, pp. 97-114. [e-journal]. Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 24 February 2014].

Hewlett, S. (2015) TV licence loophole exploited by viewers – and the BBC's critics. *The Guardian* [online] 19 May 2015. Available at: <<http://www.theguardian.com/media/2015/may/18/tv-licence-loophole-bbc-daily-mail>> [Accessed 18 May 2015].

House of Lords (2005) *BBC Charter Review Minutes of Evidence*. [online] Available at: <<http://www.publications.parliament.uk/pa/ld200506/ldselect/ldbhc/50/5070602.htm>> [Accessed 29 January 2015].

Huggers, E. (2008) A Glimpse of the Year to Come. *BBC Internet Blog*. [blog] 9 January 2008. Available at: <www.bbc.co.uk/blogs/bbcInternet/2008/01/a_glimpse_of_the_year_to_come.html> [Accessed 12 September 2012].

Huggers, E. (2010) The evolution of BBC iPlayer BBC. *About the BBC*. [blog] 26 May 2010. Available at: <<http://www.bbc.co.uk/blogs/legacy/aboutthebbc/2010/05/erik-huggers-the-evolution-of.shtml>> [Accessed 25 January 2015].

Humphreys, P. (2011) Public Policies for Public Service Media. In: *International Association of Science and Technology for Development (IASTED), Conference on Information Technology, Democracy and Economic Development (ITDED)*. Fitzwilliam College, Cambridge. 11 July 2011. Calgary: *IASTED*.

Hutchinson, D. (1999) Remoulding public service broadcasting: the British experience. *Canadian Journal of Communication*. 24 (1), pp. 5-24. [e-journal] Available through:

University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 8 September 2013].

Hutton, Lord, B. (2004) *Report of the Inquiry into the Circumstances Surrounding the Death of Dr David Kelly C.M.G.* London: HMSO.

Informtv (2015) Catching up with online viewing figures. *informtv*. [online] 25 January. Available at: <<http://informtv.com/2015/01/25/catching-up-with-online-viewing-figures/>> [Accessed 25 January 2015].

Internet Archive (n.d.) Wayback Machine. [online] Available at: <<http://archive.org/web/>> [Accessed 5 May 2015].

Iosifidis, P. (2007) *Public Television in the Digital Era*. London: Palgrave.

Iosifidis, P. (2012) *Public Television in the Digital Era*. Paperback ed. London: Palgrave.

Iosifidis, P., Steemers, J. and Wheeler, M. (2005) *European Television Industries*. London: BFI.

Jepperson, R.J. (1991) Institutions, Institutional Effects, and Institutionalism. In: W.W. Powell, and P.J. DiMaggio eds. (1991a) *The New Institutionalism in Organisational Analysis*. London: University of Chicago Press. Ch.6.

Johnson, G. (1988) Processes of Managing Strategic Change. In: C. Mabey, and B. Mayon-White eds. (1992) *Managing Change*. 2nd ed. London: Paul Chapman Publishing.

Karppinen, K and Moe, H. (2014) What we talk about when we talk about the Market, Conceptual Contestation in Contemporary Media Policy. *Research Journal of Information Policy*, 4, pp. 327-341. [pdf] Available at: <<https://helda.helsinki.fi/bitstream/handle/10138/153094/129.pdf?sequence=1>> [Accessed 15 January 2015].

Kelly, K., Mulgan, G. and Muers, S. (2002) *Creating Public Value: An Analytical Framework for Public Service as part of the Cabinet Office Strategic Thinkers Series on 24 September 2002*. [online] Available at: <http://www.strategy.gov.uk/seminars/public_value/index.asp> [Accessed 11 January 2014].

Klontzas, M. (2008) iVision and the BBC: Building Public Value [pdf] *Observatorio (OBS*) Journal*, 5 (2008), 041-055 1646-5954/ERC123483/2008 041.

Klontzas, M. (2013) The BBC and digital policy instrumentation in the UK: Straitjackets and conveyor belts. *International Journal of Digital Television*. 4 (1) pp. 49–65. [e-journal]. Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 2 June 2014].

Knapskog, K. A. (2010) Archives in public service. *Critical Studies in Television*. 5 (2), pp. 20-33. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 21 September 2014].

Kotter, J. P. (1996) *The Heart of Change*. Boston: Harvard Business School Press.

Kotter, J. P. (2002) *Leading Change*. Boston: Harvard Business School Press.

KPMG (2015) *Media Tracker*. [online] London: KPMG. Available at: <<http://www.kpmg.com/UK/en/IssuesAndInsights/ArticlesPublications/Pages/media-tracker.aspx>> [Accessed 20 January 2015].

Kuhn, T. (1996) *The structure of scientific revolutions*. Chicago: The University of Chicago Press.

Küng, L. (2005) *Digital Terrestrial Television in the UK*. E.C.C.H. [online] Available at: <www.ecch.com> [Accessed 27 August 2012].

Küng, L. (2008) *Strategic Management in the Media*. London: Sage.

Küng, L., Picard, R. and Towse, R. (2008) *The Internet and the Mass Media*. London: Sage.

Küng-Shankleman, L. (2000) *Inside the BBC and CNN*. London: Routledge.

Lee, D.J., Oakley, K. and Naylor, R. (2011) The public gets what the public wants? The uses and abuses of ‘public value’ in contemporary British cultural policy. *International Journal of Cultural Policy*, 17 (3), pp. 289-300. [e-journal] Available through: University

of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 20 February 2014].

Lepore, J. (2014) The Disruption Machine. *The New Yorker*. [online] 23 June 2014. Available at: <<http://www.newyorker.com/magazine/2014/06/23/the-disruption-machine>> [Accessed 9 March 2015].

Leurdijk, A. (2006) Public Service Broadcasting dilemmas and regulation in a converging media landscape. [online]. *RIPE*. Available at: <<http://ripeat.org/2010/public-service-broadcasting-dilemma%E2%80%99s-and-regulation-in-a-converging-media-landscape/>> [Accessed 26 July 2014].

Levy, D.A. (2013) *Negotiating Europeanization: State Aid Guidelines, Public Broadcasting and New Services in three major member states*. The Oxford-Sciences Po Research Group, Working Papers 2011-2012. [pdf] Available at: <http://oxpo.politics.ox.ac.uk/publications/working_papers/index.asp> [Accessed 22 May 2015].

Lotz, A. (2014) *The Television Will Be Revolutionised*. 2nd ed. New York: New York University Press.

Lowe, G. F. ed. (2010) *The Public in Public Service Media: RIPE@2009*. Gothenburg: Nordicom.

Lowe G.F. and Bardoel, J. eds. (2007) *From Public Service Broadcasting to Public Service Media*. Göteborg: Nordicom. pp. 9-26.

Lowe, G. F and Steemers, J. eds. (2011) *Regaining the Initiative for Public Service Media*. Gothenburg: Nordicom.

Lunt, P. and Livingstone, S. (2012) *Media Regulation*. London: Sage.

Mabey, C. and Mayon-White, B. eds. (1992) *Managing Change*. 2nd ed. London: Paul Chapman Publishing.

MacFarquhar, L. (2012) When Giants Fail. *New Yorker*. 14 May 2012. pp. 84-95.

- Mair, J., Tait, R. and Keeble, R.L. eds. (2014) *Is the BBC in Crisis?* Bury St. Edmonds: Abramis.
- Marsden C. (2014) Europe can Learn from US How Not to do Net Neutrality. *LSE Media Policy Project Blog*, [blog] n.d.. Available at:
<<http://blogs.lse.ac.uk/mediapolicyproject/2014/01/21/europe-can-learn-from-us-how-not-to-do-net-neutrality/>> [Accessed 27 November 2014].
- May, T. (2010) *Social Research*. 4th ed. Milton Keynes: Oxford University Press.
- Mazzucato, M. (2013) *The Entrepreneurial State*. London: Anthem Press.
- Meikle, G. and Young, S. (2012) *Media Convergence, Networked Digital Media in Everyday Life*. London: Palgrave MacMillan.
- Meyer, J.W., and Rowan, B. (1991) Institutionalized Organizations: Formal Structure as Myth and Ceremony. In: W.W. Powell, and P.J. DiMaggio eds. (1991a) *The New Institutionalism in Organisational Analysis*. London: University of Chicago Press. Ch.2.
- Michalis, M. (2010) Exporting the PVT. Assessing EU member states' evaluation of broadcasters' new media services. *IES and IBBT-SMIT Conference*, Brussels, Belgium. 25 May, 2010.
- Michalis, M. (2012a) Balancing Public and private interest in online media: the case of BBC Digital Curriculum. *Media, Culture & Society*, 34 (8) pp. 944–960 [e-journal]
Available through: University of Glasgow Library website
<<http://www.gla.ac.uk/services/library/>> [Accessed 14 September 2013].
- Michalis, M. (2012b) Assessing the Public Value Test: benefits, Limitations and Challenges Ahead. *International Journal of Media and Cultural Politics*, 8 (1) pp. 13-30.
- Mintzberg, H. (1987a) Crafting Strategy. In: H. Mintzberg, J. Lampel, J.B. Quinn, and S. Ghoshal, eds. (2003) *The Strategy Process: Concepts, Context, Cases*. 4th ed. Harlow: Pearson Education. pp. 141-149.

Mintzberg, H. (1987b) Five Ps For Strategy. In: H. Mintzberg, J. Lampel, J.B. Quinn, and S. Ghoshal, eds. (2003) *The Strategy Process: Concepts, Context, Cases*. 4th ed. Harlow: Pearson Education. pp. 3-9.

Mintzberg, H. (2003) The Innovative Organisation. In: H. Mintzberg, J. Lampel, J.B. Quinn, and S. Ghoshal, eds. (2003) *The Strategy Process: Concepts, Context, Cases*. 4th ed. Harlow: Pearson Education. pp. 405-418.

Mintzberg, H. and Lampel, J. (1999) Reflecting on the Strategy Process. In: H. Mintzberg, J. Lampel, J.B. Quinn, and S. Ghoshal, eds. (2003) *The Strategy Process: Concepts, Context, Cases*. 4th ed. Harlow: Pearson Education. pp. 22-29.

Mintzberg, H., Lampel, J., Quinn, J.B., and Ghoshal, S. (2003) *The Strategy Process: Concepts, Context, Cases*. 4th ed. Harlow: Pearson Education.

Moe, H. (2011) Defining public service beyond broadcasting: the legitimacy of different approaches. *International Journal of Cultural Policy*, 17 (1), pp. 52-68. [e-journal]
Available through: University of Glasgow Library website
<<http://www.gla.ac.uk/services/library/>> [Accessed 22 February 2015].

Moore, M. (1995) *Creating Public Value. Strategic Management in government*. Cambridge: Harvard University Press.

MTM London (2010) Digital audiences: Engagement with arts and culture online. [pdf]
Available at: <
http://www.artscouncil.org.uk/media/uploads/doc/Digital_audiences_final.pdf>
[Accessed 12 March 2012].

Murdock, G. (2004) Building the digital commons: public broadcasting in the age of the Internet. *The 2004 Spry Memorial Lecture*, Vancouver, 18 November 2004.

National Archives (n.d) [Archived Content] The BBC Charter Review Website - Have Your Say: First Phase Consultation and Responses [online] Available at:
<http://webarchive.nationalarchives.gov.uk/+/http://www.bbccharterreview.org.uk/have_your_say/first_phase/first_phase_con.html> [Accessed 28 April 2015].

Naughton, J. (2003) Well done, Greg, you've just earned BBC its licence fee. *The Guardian* [online] 31 August 2003. Available at: <http://www.theguardian.com/technology/2003/aug/31/comment.broadcasting> [Accessed 26 June 2014].

O'Brien, D. (2013) *Public Value at the BBC Trust*. 9 May 2013. Conference Presentation, Centre for Cultural policy and Management, City University.

Ofcom (n.d.) *Ofcom's first PSB review* [online] Available at: <http://stakeholders.ofcom.org.uk/broadcasting/reviews-investigations/public-service-broadcasting/psb-review-1/> [Accessed 5 May 2015].

Ofcom (2007) *Market Impact Assessment: new on-demand proposals*. [online] 23 January 2007. Available from: <http://stakeholders.ofcom.org.uk/market-data-research/other/tv-research/bbc-mias/ondemand/?a=0> [Accessed 13 May 2014].

Ofcom (2014) *The Communications Market 2014 (August)* [online] Available at: <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr14/> [Accessed 27 January 2015].

Ofcom (2015) *Public Service Content in a Connected Society: Ofcom's third review of public service broadcasting* [pdf] Available at: <http://stakeholders.ofcom.org.uk/consultations/psb-review-3/?showResponses=true> [Accessed 27 April 2015].

Orlowski, A. (2012) Scoop! The inside story of the news website that saved the BBC. *The Register*. [online] 28 November. Available at: http://www.theregister.co.uk/2012/11/28/the_bbc_news_online_story/ [Accessed 29 November 2012].

PACT (2014) *BBC change would boost UK production economy by £575m*. [press release] 22 August 2014. Available at: <http://www.pact.co.uk/news/news-detail.html?id=bbc-change-would-boost-uk-production-economy-by-575m-> [Accessed 26 September 2015].

Paton, R.A. and McCalman, J. (2008) *Change Management*. 3rd ed. London: Sage.

Peacock Committee (1986) Report on the Committee on the Financing of the BBC (*Peacock, Report, 1986*) [Cmnd 9824] London: HMSO.

Peirce, C. S. (1931) *The Collected Papers: Principles of Philosophy. III: Phenomenology*. [online] Available at: <<http://www.textlog.de/4281-2.html>> [Accessed 11 May 2015].

Pettigrew, A. and Whipp, R. (1991) Understanding the Environment. In: C. Mabey and B. Mayon-White eds. (1992) *Managing Change*. 2nd ed. London: Paul Chapman Publishing.

Phillips, A. (2014) *Journalism in Context*. London: Routledge.

Picard, R.G. (2011) *The Economics and Financing of Media Companies*. 2nd ed. New York: Fordham University Press.

Plunkett and Sweney (2014) BBC iPlayer should be encrypted says Channel 4 chairman *The Guardian* [online] 10 July 2014. Available at: <<http://www.theguardian.com/media/2014/jul/10/bbc-iplayer-encrypted-subscription-channel-4-chairman>> [Accessed 15 July 2014].

Popple, S. (2015) The New Reithians: Pararchive and citizen animateurs in the BBC digital archive. *Convergence: The International Journal of Research into New Media Technologies*. 21 (1) pp. 132-144. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 22 April 2015].

Porter, M.E. (1979) How Competitive Forces Shape Strategy. In: H. Mintzberg, J. Lampel, J.B. Quinn, and S. Ghoshal, eds. (2003) *The Strategy Process: Concepts, Context, Cases*. 4th ed. Harlow: Pearson Education. pp. 94-102.

Porter, M.E. (1996) What is Strategy? In: H. Mintzberg, J. Lampel, J.B. Quinn, and S. Ghoshal, eds. (2003) *The Strategy Process: Concepts, Context, Cases*. 4th ed. Harlow: Pearson Education. pp. 16-22.

Powell, W.W. and DiMaggio, P.J eds. (1991a) *The New Institutionalism in Organisational Analysis*. London: University of Chicago Press.

Powell, W.W. and DiMaggio, P.J. (1991b) The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality. In: W.W. Powell, and P.J. DiMaggio eds. (1991a)

The New Institutionalism in Organisational Analysis. London: University of Chicago Press. Ch.3.

Quinn, J.B. (1980) Strategies for Change. In: H. Mintzberg, J. Lampel, J.B. Quinn, and S. Ghoshal, eds. (2003) *The Strategy Process: Concepts, Context, Cases*. 4th ed. Harlow: Pearson Education. pp. 10-16.

Robins, J. (1998) The TV guide to the new tribes of Britain. *The Independent* [online] 10 October 1998. Available at: <<http://www.independent.co.uk/news/the-tv-guide-to-the-new-tribes-of-britain-1177189.html>> [Accessed 22 December 2014].

Rudin, R. (2006) The Development of DAB Digital Radio in the UK: The Battle for Control of a New Technology in an Old Medium'. *Convergence: The International Journal of Research into New Media Technologies*. 12 (2) pp. 163-178. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 22 August 2013].

Rumelt, R.P. (2003) In: H. Mintzberg, J. Lampel, J.B. Quinn, and S. Ghoshal, eds. (2003) *The Strategy Process: Concepts, Context, Cases*. 4th ed. Harlow: Pearson Education. pp. 80 -87.

Rumelt, R.P. (2011) *Good Strategy, Bad Strategy*. London: Profile Books.

Scanlon, M. and Buckingham D. (2003) Debating the Digital Curriculum: Intersections of the public and the private in educational and cultural policy. *London Review of Education*, 1 (3), pp. 191-205. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 14 June 2012].

Schein, E. H. (1996) Culture: the missing concept in organization studies. *Administrative Science Quarterly*, (41) 2 [online]. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 21 January 2013].

Schlesinger, P. (1987) *Putting Reality Together: BBC News*. London: Routledge.

Schlesinger, P. (2004) Do institutions matter for public service broadcasting? *Ofcom*. [pdf] Available at:

<<http://www.ofcom.org.uk/consult/condocs/psb2/psb2/psbwp/wp2schles.pdf>> [Accessed 6 April 2014].

Schlesinger, P. (2009) Creativity and the experts: New Labour, think tanks, and the policy process. *International Journal of Press/Politics*, 14 (1). pp. 3-20. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 17 November 2014].

Schlesinger, P. (2010) The most creative organization in the world? The BBC, 'creativity' and managerial style. *International Journal of Cultural Policy*. 16 (3) pp. 271-285. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 12 October 2013].

Schumpeter, J. (1943) *Capitalism, Socialism and Democracy*. New York: Harper.

Scott, W.R. (2008) *Institutions and Organisations*. London: Sage

Scott, W.R. (2014) *Institutions and Organisations*. 4th ed. London: Sage.

Seaton, J. (2010) Broadcasting and the theory of public service. In: J. Curran and J. Seaton. (2010) *Power Without Responsibility*. 7th ed. London: Routledge.

Seaton, J. (2015) *'Pinkoes and Traitors'*. London: Profile Books.

Selznick, P. (1996) Institutionalism "Old" and "New". *Administrative Science Quarterly*. (41) June 1996, pp. 270–277. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 14 February 2014].

Seo, M-G. and Creed, W.E. (2002) Institutional Contradictions, Praxis, and Institutional Change: A Dialectical Perspective. *The Academy of Management Review*, (27) 2 (April) pp. 222-247. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 8 February 2014].

Shipside, S. (1999) We have seen the future. *Guardian*. [online] 9 December 1999. Available at: <<http://www.theguardian.com/technology/1999/dec/09/onlinesupplement>> [Accessed 5 May 2015].

Simon, H.A. (1960) Decision Making and Organisational Design. In: D.S. Pugh (1971) *Organization Theory*. Harmondsworth: Penguin.

Smith, P. (2006) The Politics of UK Television Policy: BBC Charter Renewal and the 'Crisis' of Public Service Broadcasting (Again). *RIPE*. [online] Available at: <<http://ripeat.org/?s=The+Politics+of+UK+Television+Policy%3A&cat=411>> [Accessed 15 December 2014].

Smith, P. (2007) *The Politics of Television Policy, The Introduction of Digital Television in Great Britain* Lewiston: The Edwin Mellon Press.

Smith, P. and Steemers, J. (2007) BBC to the Rescue! *Javnost - The Public: Journal of the European Institute for Communication and Culture*, 14 (1) pp. 39-55. [pdf] Available at: <<http://javnost-thepublic.org/article/pdf/2007/1/3/>> [Accessed 21 January 2015].

Starks, M. (2007) *Switching to Digital Television*. Bristol: Intellect.

Stone, J. (2011) A quick history of the BBC and social media. *Made of Stone* [blog] 13 July 2011. Available at: <<https://jemstone.wordpress.com/2011/07/13/a-quick-history-of-the-bbc-and-social-media/>> [Accessed 19 December 2014].

Strange, N. (2008) *From Television Programmes To Projects That Have Levels of Interactivity: the BBC's Multi-platforming of Public Service For A Digital Era*. Ph. D. University of Sussex.

Strange, N. (2011) Multiplatforming Public Service: The BBC's "Bundled Project". In J. Bennett and N. Strange, eds. (2011) *Television as Digital Media*. Durham: Duke University Press. pp. 132-157.

Sweney, M. (2014) End of an era for Ofcom as Ed Richards steps down. *The Guardian*, [online]. 5 October 2014. Available at: <<http://www.theguardian.com/media/2014/oct/05/end-era-ofcom-ed-richards>> [Accessed 10 June 2014].

Tellis, G. J., Prabhu, J.C. and Chandy, R.K. (2009) Radical innovation across nations: The pre-eminence of corporate culture. *Journal of Marketing*, (73) 1 pp. 3-23. [e-journal]

Available through: University of Glasgow Library website

<<http://www.gla.ac.uk/services/library/>> [Accessed 19 November 2012].

Thomas, D. (2015) Ofcom considers deregulation of TV and telecoms sectors. *Financial Times*. [online] 16 April. Available at: <<http://www.ft.com/cms/s/0/8a9b5ef8-e435-11e4-9039-00144feab7de.html?siteedition=uk#axzz3YWm8E81I>> [Accessed 16 April 2015].

Thornton, P.H. Ocasio, W. and Lounsbury, M. (2012) *Introduction to the Institutional Logics Perspective*. Oxford: OUP.

Thorsen, E. (2012) The Second Wave BBC News online, Embedded Video and the iPlayer. In: M. Burns, M. and N. Brügger (2012) *Histories of Public Service Broadcasters on the Web*. New York: Peter Lang.

Tidd, J., Bessant, J., Pavitt, K. (2009) *Managing Innovation: integrating technological, market, and organizational change*. 4th ed. [Kindle version]. Chichester, Wiley. Available at: Amazon.co.uk <<http://www.amazon.co.uk>> [Accessed 23 January 2014].

Utterback, J.M. (1994) *Mastering the Dynamics of Innovation*. Boston: Harvard Business School Press.

Valtysson, B. (2010) Access culture: Web 2.0 and cultural participation, *International Journal of Cultural Policy*, 16 (2) pp. 200-214. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 4 February 2015].

Van Dijck, J. (2009) Users like you? Theorizing agency in user-generated content. *Media Culture Society* 31(1), pp. 41–58. [e-journal] Available through: University of Glasgow Library website <<http://www.gla.ac.uk/services/library/>> [Accessed 8 May 2015].

Vanhaeght, A-S. and Donders, K. (2014) Moving Beyond the borders of top down broadcasting. *RIPE@2014 Conference, Public Service Media Across Boundaries*, Tokyo, Japan. 27–29 August, 2014.

Ward, D. (2008) Broadcasting Regulation in the United Kingdom: Shifting Public Policy Objectives. In: Ward, D. ed. (2008) *Television and Public Policy*. Abingdon: Lawrence Erlbaum.

Wardle, C. (n.d.) User Generated Content [online] Available at:
 <<http://www.cardiff.ac.uk/jomec/research/researchgroups/journalismstudies/fundedprojects/usergeneratedcontent.html>> [Accessed 3 May 2015].

Weber, M. (1970) Bureaucracy. In: H.H., Gerth and C. Wright Mills (1970) *From Max Weber*. London: Routledge & Kegan Paul.

Whalley, N. (2013) It's time to break up BBC iPlayer. *Broadcast Now*. [online]. 19 April 2013. Available at: <<http://www.broadcastnow.co.uk/comment/its-time-to-break-up-bbc-iplayer/5054069.article>> [Accessed 29 August 2013].

Wheldon, H. (1971) Competition in Television. *Journal of the Royal Society of Arts*, (119), No. 5181 (AUGUST 1971), pp. 636-644. London: Royal Society for the Encouragement of Arts, Manufactures and Commerce. [Accessed 12 November 2014].

Wiedemann, V. (2004) Public Service Broadcasting, State Aid, and the Internet: Emerging EU Law. *European State Aid Law Quarterly*, (4) pp. 595-603.

Wikipedia (n.d.a) *Jamie Kane*. [online] Available at:
 <http://en.wikipedia.org/w/index.php?title=Jamie_Kane&oldid=584195980> [Accessed 10 Jan. 2014].

Wikipedia (n.d.b) *Video on demand* [online] Available at:
 <http://en.wikipedia.org/wiki/Video_on_demand#Early_development> [Accessed 10 February 2015].

Williams, C. (2014) Netflix chief Reed Hastings takes on telcos, cinemas and global expansion. *Telegraph*, [online]. 5 October 2014. Available at:
 <<http://www.telegraph.co.uk/finance/newsbysector/mediatechnologyandtelecoms/media/1141864/Netflix-chief-Reed-Hastings-takes-on-telcos-cinemas-and-global-expansion.html>> [Accessed 19 November 2014].

Wu, T. (2003) Network Neutrality, Broadband Discrimination. *Journal of Telecommunications and High Technology Law*. (2).

Wyatt, W. (2003) *The Fun Factory, A life in the BBC*. London: Aurum Press.

Yin, R.K. (2013) *Case Study Research: Design and Methods*. 5th ed. Los Angeles: Sage.

YouGov (2013) Annual Rankings: UK YouGov Brand Index [online] n.d. Available at: <<http://www.brandindex.com/ranking/uk/2013-annual>> [Accessed 16 May 2014].

Zucker, L.G. (1991) Institutionalisation and Cultural Persistence. In: W.W. Powell, and P.J. DiMaggio eds. (1991a) *The New Institutionalism in Organisational Analysis*. London: University of Chicago Press. Ch.4.