The issue of competitiveness of a public broadcaster
based on the example of TVP S.A. in 1992-2013

Abstract of thesis

The principal hypothesis of this work is the assumption that the main condition to achieve competitive advantages by public media working in a commercial environment, is the ability to adapt the implementation of statutory public obligations to the principles of a constantly changing media market.

The basic hypothesis is supported by an auxiliary hypothesis that a public broadcaster needs to build their competitive advantage based on their own axiological uniqueness. The fulfillment of social responsibilities by the public media aids their achievement of a market leader position in qualitative (defining standards in numerous categories of TV production), as well as quantitative (large audience share) aspects. These research assumptions are accompanied by a belief that the more the public media give up on their social responsibilities, the more they lose their competitive advantage.

Gaining an advantage in a media market that is continuously under the influence of technology, requires public media to constantly reconcile contradictions between:

- Social service and market competition;
- Dependence on the state and political independence;
- Pragmatism in management and inventiveness of creative environments (Constant tension between creative and business imperatives);
- Income from commercial sources and grants from public funds;
- Mass media and niche media;
- Globalisation and identity.

The difficulty of this situation is intensified by the fact that the concept of public media is not complete, and still subject to changes driven by technology. The transition to digital television and the Internet have changed the public media; this change is still ongoing and its effects are difficult to predict.

In addition, the situation of public media in Poland is determined by a difficult evolution from state television to public television. The essential elements of this evolution are:

- The consequences of the transition from a monopoly to a dual model of the media;
- The need to participate in the building of competition;
- Struggle with the legacy of the past – dependence on the world of politics;
- Uncertainty about the future due to aggressive competition from commercial media;

- Problems of identity due to the not fully-defined concept of public media;

- Low social awareness of the importance of public media institutions to serve as a public sphere that is pivotal to the functioning of civil society in a democracy;

Reconciling contradictions by public media to achieve advantages in the media market is a necessary, but not a sufficient condition.

This is due to the fact that public media have a unique role to play in a democratic society. As an important pillar of democracy, they should support the creation of civil society. In parallel, the educational role of public media is gaining a new dimension as a result of science, new technologies and rapid changes in lifestyle. Alongside the development of science, which is the engine of economic growth and social change, public media have another role to play: a guide to a world, rapidly changing because of technology.

Fulfillment of these social obligations should be the foundation for public media to build a competitive advantage over commercial competitors.

The experiences of Polish Television in the years 1992-2013 will be the subject of research and discussion aimed at verifying the set hypotheses. More than 20 years of unique experiences of public television in Poland help to understand the essence of public media, and therefore acquire a universal dimension.

TVP S.A.: a strong monopoly in an emerging media market, forced legally to give up some of its advantages, finally conformed to its own competition, losing one advantage after another. In addition, market neophytes, who took care of adapting the public media to market changes, chose solutions that did not break their simplistic perception of the market. Hence their unwillingness towards terms such as "vision" and "mission". Strong belief in the reliability of the market, demonstrated with a sense of superiority and lacking reflection, was another factor generating the destruction of public media.

The model of the functioning of public media is still not fully formed. The formula for public media is changing thanks to digitalisation and the Internet. The question about the future of public media is crucial in the face of the challenges that technological development brings.

The aim of this work is to formulate specific guidelines for public media based on the experience of the accelerated transformation of Polish Television and the effects of its confrontation with the market.

There are many analyses of the strategic environment of the media industry and audience behavior, but little is known about the internal processes in the media enterprises and their impact on the wider effects of the activities of media companies. The results of the research on public media may be of particular interest due to the fact that more is required of them because of their public service duty. If, on top of that, these media are subject to rapid changes caused by external factors, the test results may gain a universal character. This is
because the modern media market is still subject to changes and it seems that this phenomenon is moving into a permanent state.

The experiences of creative producers working in public television, specialising in programs defined as "mission", are the impetus behind this work. As demonstrated by the experiences of the author, axiological approach, which is natural to creative producers fulfilling the mission, remained often grossly contradictory to the practices of TVP. Cognitive dissonance, characteristic of this occupational group (for whom creativity and readiness for change are part of the job), was the driving force behind the activities that are crucial for the future of public television, despite being little recognised.

A special paradox of the situation of public television was the fact that the defense of public interest by its creative producers was of no interest to the media. Nevertheless, the point of view that puts public obligations of television in the first place, is the most important element in this work and forms the basis of any further analysis.

According to the author, the creative environment’s point of view opens an interesting research perspective to formulate expectations about the competitive advantages of a public broadcaster. One of the most important research methods used in this work is the method of participant observation based on, among other things, the accumulation of own professional experiences, including the knowledge of the production cycle of TV programs, management of the editorial office, and participating in the process of preparing hundreds of own original programs, diverse in content and form. The author also participated in important events for TVP S.A., such as the reform implemented in 2000.

An important source of knowledge was also the author’s participation in international conferences of public media, including those carried out by the EBU (the author represented TVP within EBU for a few years) and the exchange of personal experiences with representatives of other public media, including the knowledge and understanding of the specificity of creative professions in electronic media and their role in the development of a TV program.

The author has also gained experiences in social activities (management of SDP TVP SA and cooperation with the union of creative workers within TVP SA called "Vision", established in 2005 as a response to the situation within the company).

The author has also used the analyses and internal materials of TVP S.A. (including the materials from "Vision" and SDP), and internal documents of TVP S.A. (concerning the fulfillment of the mission, the reform of 2000, research on corporate culture, etc.). Journalistic materials on the topic of public media, published internally within TVP – The Television Academy ("Television Notebooks", "Quarterly Workshop"), have also become a special subject of study.

An important research method that was also used in this study is the analysis and critique of sources, including an extensive literature focusing on the issues of public media.
According to the opinion of a renowned media expert, Karol Jakubowicz, one cannot deal with public media without taking into account the broader context of their functioning.

The study has also widely used literature in the field of management, media management, brand management, media economics and media history.

The wider context analysis is defined by the work of one of the leading authorities in competitive strategy, Michael E. Porter. According to his theory, competitive advantage is at the core of the activities of a company in a competitive market.

Knowing how a company can develop and maintain its competitive advantage, was a preliminary confirmation of the author’s opinion on the competitiveness of public media, resulting from own experiences.

Another important source of inspiration was the work of Lucy Kung who, apart from her scientific activity, is the President of the European Association of Media Management. In her work describing management strategies, she tried to build the bridge between academic theory and practice of management in the media.

The source of support for axiological thinking was the work of Hamish Pringle and William Gordon on brand management. These authors describe the process in which a company develops a high culture and becomes a place of effective management. Analyses of Pringle and Gordon have created a basis for ordering the author's own thoughts and an attempt to formulate positive solutions for public television, so that it could become "a company that is conscious of its value", and thus achieving the advantage.

Media play an important role in the economy. The economics of the media deal with how the market and money function in modern mass media. Economic goods seen from the media perspective, have a special character. According to Tadeusz Kowalski, media companies are where the worlds of creativity and business, freedom and economy, creative freedom and need for profit, imagination and hard realities of the market, meet. Understanding these mechanisms has a significant influence on the selection of appropriate methods of financing public media. Such methods are an important element in building a competitive advantage.

The way of thinking about public media, so close to the author’s heart, characterises the work of Karol Jakubowicz. He was the author of many publications that revealed the linking of inner workings of public television with the political context and the aspects of media law creation in Poland.

The works of Karol Jakubowicz, Maciej Mrozowski or Beata Ociepka confirm the author’s belief that public media in Poland are only just beginning to establish clear rules of operation, and the question of the shape of the public media is also the question of the shape of society.

Today, public media in Europe face many challenges, mostly related to the consequences of technological change. Documents of the European Broadcasting Union, whose aim is to prepare public broadcasters for the upcoming changes, also contributed important elements to this work.
The chapter on competitive advantages presents new axiological concepts which appeared in theories of the market, increasing competition, globalisation and the uncertainty of the external environment of companies. A new attitude in the market behavior of some companies is combining concern for economic interests with public interest, which derives from the concept of corporate social responsibility.

There is no uniform definition of a public broadcaster that exists in the European media. Such a definition should take into account the conditions in a given country, and be seen as a concern of national parliaments and the broadcasters themselves.

The second part of the study describes the structure of the program of two main public TV broadcasters over more than twenty years, in terms of execution of the mission. The analysis of programming schedules reveals a sudden collapse of the execution of the mission in all five categories (education, programs for children, culture, reportage and documentary, journalism) after 2000. Had the market forced these negative changes, they would have been applied gradually. The departure from the mission can be linked to the reform of TVP in 2000, which had led to the decision to restrict the broadcaster’s own production.

The third part of this work is dedicated to the analysis of the complexity of the problems that public media in Poland and Europe currently face as far as achieving competitive advantages is concerned. The process of establishing their acceptable shape is still ongoing. At the same time, as old problems still need to be solved, new problems keep arriving. The variable environment of electronic media is to a large extent conditioned by the advancement in digital technology and poses new challenges to public media.

An important conclusion here, is the belief that a creative approach to problems and seeing change as an opportunity is a prerequisite for breaking the impasse and creating a basis for building competitive advantages.

The last part of the work is dedicated to the prospect for public media in the context of changes in the media market as a consequence of technological progress. Technological change is one of the main factors affecting competition. Public service broadcasters must take up the challenge of these new circumstances. They need to adapt and react in order to fully execute their rightful duty in this new media environment.

Public service obligations should be assigned to a suitably appointed institution. This institution, however, must be verified by the market and must fight for advantages in a competitive media market, transforming into a "good market leader".

The media market that changes under the influence of technology, creates new opportunities to build competitive advantages of a public broadcaster. A change that is treated as an opportunity, constitutes a challenge not only for those who manage public media; the society must finally start to perceive public media as an important element of a well-functioning democracy.