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Maria Trinidad García Leiva and Heritiana Ranaivoson (Eds)

SVoDs, New Norms and the Challenge for Public Service Media

Gillian Doyle

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Author addresses: Professor Gillian Doyle, Centre for Cultural Policy Research, University of Glasgow, 13 Professor Square, Glasgow, G12 8QQ.
Gillian.Doyle@Glasgow.ac.uk

Author biography:
Gillian Doyle is Professor of Media Economics at Glasgow University based in the Centre for Cultural Policy Research. She has led numerous funded research projects and her work on media economics and policy and on the impact of digitisation has been published in several languages. A former President of the Association for Cultural Economics International, Gillian recently served on the Future of Media Commission in Ireland. She is Principal Investigator on 'PSM and the Digital Challenge', a major project funded by the UK Economic & Social Research Council that examines the remit, value and funding of public service media.

Keywords: Subscription video on demand services (SVoDs); public service media; commissioning power; local content; public value; critical media infrastructure.

Abstract:

The growing popularity of SVoDs has transformed the European media landscape, re-shaped consumption habits, fragmented audiences and made it more difficult for Public Service Media (PSM) organisations to engage especially younger audiences. This article analyses challenges, such as competing against the immense commissioning power of SVoDs, faced by PSM. Focusing particularly on the UK experience, it highlights how, despite the growing prevalence and popularity of SVoDs and their role in promoting wider circulation for material drawn from a variety of international sources, PSM organisations are still recognised by audiences and by television programme-makers as being pivotal to provision of certain sorts of quintessentially local content. As this article argues, the rise of global streamers has both accentuated and altered the ways in which PSM deliver public value, effectively re-positioning PSM as elements of what might be seen as critical media infrastructure.

Introduction

> 'The BBC is at a cross-roads. Down one path lies a BBC reduced in impact and reach in a world of global giants…Which means a UK dominated by global gatekeepers, partial news and American taste-makers. Down the other path is a strong BBC helping bind the country together at home and championing it abroad. A British creative beacon to the world.'
>
> (Tony Hall, 2015)

Across the globe, the growing prevalence of US-based subscription video on demand (SVoD) service providers such as Netflix and Amazon Prime poses serious challenges for legacy broadcasters, including Public Service Media (PSM) organisations (Biggam, 2020; Doyle et al, 2021; Ofcom, 2022; Poell et al, 2022). The growing popularity of streamers has re-shaped consumption habits, fragmented audiences and made it more difficult for PSM to engage audiences, especially younger ones (Johnson 2019; Ofcom 2020a). Organisations such as the BBC are at risk of being marginalised by 'global gatekeepers' and 'American taste-makers' according to the Corporation's former Director-General Tony Hall (Hall, 2015). As well as struggling against the immense commissioning power of SVoDs, many PSM organisations are also having to contend with declines in television advertising and/or diminished levels of public funding (D'Arma et al, 2021; Donders, 2019; Lotz, 2017). Consequently, PSM finds itself at a 'crucial juncture' (Ofcom, 2020a: 3).

Even though the European media landscape has been transformed by the rise of SVoDs and powerful new players including AppleTV+ and Disney+, PSM organisations have, in many cases, 'managed to stay in the game' in terms of investment in local content and addressing audience needs (Mazzucato et al, 2022: 3). Nonetheless, a rapidly evolving digital environment has posed new challenges and complexities for PSM as they seek to deliver their distinctive remits (Ganatra, 2023).

This paper examines the impacts and challenges for PSM of increased competition from SVoD providers. Against a background of growing concern across Europe about the purpose and future funding of PSM, it examines how the rise of US-based SVoDs has disrupted traditional PSM providers and how, in the era of big tech platforms, the perceived purposes of PSM and the ways that PSM generate value for society are changing. It also considers the implications of these developments for policy, particularly in relation to the future of PSM.

The analysis presented here, which centres on the UK, draws on evidence gleaned from organisational statements, policy documents, speeches and other secondary source materials, and on findings from interviews with UK television executives.[1] Evidence is drawn from interviews with senior executives at Expectation Entertainment, ITV, Left

[1] Evidence is drawn from interviews carried out as part of the 'Television Production in Transition: Independence, Scale and Sustainability' project (2017-2020).

Bank, Mammoth Screen, Red Productions and Sony Pictures Television International who, because of their close involvement in producing and/or commissioning content, are well placed to provide insights about how the content markets in which PSM organisations participate are changing thanks to the rise of SVoDs. Focusing on the UK experience, this article examines the main strategic issues posed for European PSM by the growing prevalence of US-based SVoDs. While the UK's system of PSM is unique in many ways, it nonetheless remains that the key challenges currently faced by organisations such as the BBC and C4 in competing with the strength and popularity of globalised streaming services and in adopting strategically coherent responses are very widely shared by PSM organisations across Europe. The analysis presented here considers how transformations occasioned by the greater prominence and power of global streamers are accentuating and altering the ways in which PSM deliver value and are effectively re-positioning PSM. In so doing this paper reflects critically on issues of diversity, market power and public purposes in the context of the changing dynamics of the television environment.

PSM and the Rise of SVoD Providers

Changing consumption

The growing market presence of US-based global streamers has been accompanied by rapid change in audience consumption behaviours and by shifts in economic power across the television industry. In the UK for example, the number of households that have taken out subscriptions to streaming services over recent years has been on a strong growth trajectory (Ofcom, 2022). Currently, over two-thirds of UK homes subscribe to a SVoD service and, following market entry by Disney+ and others since 2019, take-up of multiple subscriptions within the same household has become commonplace (ibid: 15).

As Lotz (2021a: 889) points out, fragmentation of television audiences does not originate with streamers. However, in shifting an ever-growing proportion of viewing to online, SVoDs have won an increasing share of audience attention and catalysed new norms and expectations around television watching related to, for example, customisation and choice (Evens et al, 2023). While subscriptions to streaming services have grown, linear viewing has declined, especially amongst the young (Ofcom, 2022: 12). In the UK, the average amount of time spent watching TV from broadcasters (including across broadcasters' online catch-up services) declined from 73% of total daily viewing in 2017 to 59% in 2021 (ibid: 50). And similar developments posing a threat to PSM are evident in many countries internationally (FOMC, 2022; Ganatra, 2023).

Despite structural decline in linear viewing, public service media channels remains widely used and trusted, albeit with a skew towards older audiences (Schulz, Levy and Nielsen, 2019). In the UK the share of broadcast viewing accounted for by PSM channels versus all other others, rather than declining, has remained broadly consistent at around 55 percent over recent years (Ofcom, 2021d: 9). The tendency for audiences to turn to PSM in times of crisis was clearly exemplified during the Covid-19 pandemic (Ofcom, 2020b; 2021a: 13). Notwithstanding the considerable challenges posed by adjustment to the digital era, it is notable that PSM institutions still retain a prominent market presence all over Europe (Van den Bulck, 2023: 400).

But, while PSM is still holding its own in some respects, almost all recent data underlines how consumption behaviours are changing as audiences embrace such features of online viewing as wider choice, ease of navigation and personalised recommendation systems (Evens et al, 2023; Johnson, 2019; Lotz, 2017; Lüders and Sundet, 2021). A clear overall trend towards more online viewing at the expense of engagement with linear channels means that streaming platforms – currently dominated by US-based SVoDs - are increasingly the 'interface' for discovery of content by audiences (Hesmondhalgh and Lotz, 2020: 386).

SVoDs and Markets for Content

When it comes to the economics – and, in turn, the content strategies - of SVoDs versus traditional television channels, a major point of differentiation is geographical *reach*. While channels typically are relatively confined in terms of territorial distribution, streamers with transnational reach generally can spread costs across much larger audiences (Chalaby and Plunkett, 2020). So, albeit that most SVoDs have struggled so far to generate profits, the prospect of gaining a significant slice of a globalised subscriber base has encouraged 'mind-boggling' levels of investment in content (Nicolaou and Grimes, 2021). Driven largely by SVoD platforms, total worldwide expenditure on television content increased from $128bn to £243bn in the decade from 2013 to 2022, according to estimates from Ampere Analysis (Walsh, 2023).

The growing presence of globalised streamers as colossal investors in content (Aguiar and Waldfogel, 2018; Iordache et al, 2022) has contributed to what some have termed a 'golden age' for television content (McElroy and Noonan, 2019; Weeds 2020). One notable trend has been surging demand for 'big statement' programmes - often expensive high-profile dramas – that offer the chance to build and reinforce the brand of rival television services in national and international markets (Doyle, 2016). As argued elsewhere, these developments have brought new and welcome creative and commercial opportunities for content-makers all around the globe but, at the same time, have helped encourage consolidation of ownership in the international television production sector (Doyle, Paterson and Barr, 2021).

Whether the greater commissioning power enjoyed by SVoDs has resulted in the making of radically new and different sorts of content and or new story-telling is a debatable question (Lotz, 2021a: 899). But it has generally resulted in the international circulation and consumption of more diverse forms of locally specific content (Lotz, 2021b; Ranaivoson, 2019). The emphasis which Netflix places on providing content that is diverse has been a key aspect of its branding and transnational expansion strategy (Asmar et al, 2022). Streaming services naturally want material that appeals internationally but, as Chief Creative Officer at Sony Pictures Television International Wayne Garvie suggests, they also particularly want culturally-specific content that will help ‘open up’ new markets:

> the one thing all these (SVOD) services want, first of all, is they commission a piece of content to work in the domestic market for which they’re commissioning it for. That’s their key thing. So when Netflix commissioned *Marseille* in France it was because they wanted to do something in France that’d work in France. If it works beyond France that’s just gravy. The key thing is, will it work in this domestic marketplace?
>
> (Garvie, Interview, London, May 2018)

The appetite of SVoDs for culturally-specific content, from *Squid Games* to *Money Heist* to *Lupin*, while reshaping patterns of consumption, poses challenges to traditional assumptions about audience preferences and to our understanding of what exactly is meant by ‘local’ and ‘global’ content. In written evidence to a recent House of Lords Committee inquiry, global streamer Netflix has argued that ‘[l]ocalised content is increasingly a priority to our service’ (Netflix, 2019). According to Andrew Critchley of Red Productions (Critchley, Interview, Edinburgh/ Salford, January 2019), ‘looking for local’ has become the buzzword for ‘all the SVoD platforms’. SVoD platforms have demonstrated how material that is very culturally-specific, from dramas about drug cartels in Colombia to tales about the British monarchy, often has just as much appeal for international as local audiences.

Consequently, audiences are increasingly receptive to locally specific material, much of which originates in countries *other than* the US (Doyle, Paterson and Barr, 2021). Producer Beth Willis attests to how, because of Netflix and Amazon, contemporary tastes have become more cosmopolitan with viewers now well acclimatised to watching programmes from, say, Spain or France (Beth Willis, Interview, London, October

2018). Insofar as this counters the traditional dominance of the US in supplying largely unidirectionally outbound cross-border flows of audiovisual content to the rest of the world, these developments might be seen as welcome. However, research has also shown that, while the model adopted by transnational SVoD services such as Netflix undoubtedly facilitates wider global availability for products emerging from small markets, it still fundamentally favours US-originated content (Aguiar and Waldfogel, 2018). While flows of content have become more multi-directional and have weakened what Esser (2016: 3608) describes as 'the long-lasting core-periphery structure of television program trade', it remains that US media conglomerates continue to exert significant power over production and international distribution, as is confirmed by all recent data on audiovisual exports (USITC, 2018; EAO, 2020).

Typically, SVoDs have been interested in purchasing two different sorts of content. First, original or first-run material that has been commissioned specifically and exclusively for that service or on a co-production basis and, second, less expensive licensed or second-hand material comprising programmes and films that have previously had outings on alternative distribution outlets (Doyle, 2016; Afilipoaie et al, 2021). Netflix for example has relied on a dual strategy involving both creation of expensive high-end originals which help to distinguish it from traditional legacy players and, on the one hand, acquisition of attractive and more affordable second-hand programmes, often sourced from the latter (Afilipoaie et al, 2021; Iordache at al, 2022). Each element of this strategy has ramifications for the wider television ecology, including PSM.

Investment in Originals

Demand from SVoDs for original productions is strong, despite intermittent concerns about economic recession and/or, in an increasingly crowded marketplace, about 'the profit potential of the streaming business model' (Barker and Grimes, 2022). Industry estimates suggest that 'the US streaming platforms Disney+, Netflix and Amazon Prime

Video [will] account for almost a quarter of global growth in spending on original film and television content' by 2027 (Irwin-Hunt, 2023). High levels of investment by SVoDs has meant that broadcasters – the traditionally dominant force in content commissioning – have faced considerable competition when it comes to sourcing new content (Afilipoaie et al, 2021; Iosifidis, 2020).

One notable effect of increased demand for appealing scripts, cast and technicians has been cost inflation (Creamer, 2021). This has resulted in production budgets for some television dramas now rivalling those for independently made feature films (Doyle et al, 2021). But SVoD demand for original programming continues unabated because 'in a highly competitive landscape, content differentiation is what sets services apart' (Afilipoaie et al, 2021:308). However, from the perspective of PSM, inflated production costs plus heightened reliance on third-party and international sources of funding (Doyle, 2016) has made it more complex and challenging to provide high quality drama – a form of story-telling that traditionally has been part and parcel of how PSM's represent national life, in all its diversity (Ofcom, 2020a; Raats and Jensen, 2021).

For producers, additional demand from deep-pocketed SVoDs is naturally more than welcome. However, as production costs have escalated, the comparatively low level of standard production fees available to drama producers from domestic commissioning broadcasters – as opposed to SVoDs - makes it more difficult to recoup the costs of making drama content for PSM customers. In short, 'creating content for the British market has become a lot harder than it used to be', according to Charlie Goldberg of drama production company Left Bank (Goldberg, Interview, London, November 2018).

Tim Hincks, Co-CEO of Expectation Entertainment and former CEO of Endemol UK observes that creatives naturally want to do deals with streamers that pay well and provide access to international audiences (Hincks, Interview, London, July 2018). But as a corollary, SVoDs generally want and need to acquire programme rights for whole swathes of countries and over long time periods (Doyle, 2016; Lobato 2019). Even so, as Wayne Garvie explains, independent producers are often enthusiastic about the opportunities to address audiences that are multi-territory:

> They [producers] want to tell a particular story and they'll want that story to go around the world, that's what excites them. That's why everyone wants to make for Netflix, because you can literally travel around the world and people will say, "I love your show",
>
> (Wayne Garvie, Interview, London: May 2018)

Commissioning terms vary but, broadly speaking, the sort of deal on offer to producers, when they are invited to make original content, typically involves either a 'deficit financing' model, where producers absorb a share of the production costs but retain most secondary rights, or else a 'cost plus' model, where the producer receives full production costs plus a fee but assigns most rights to the commissioning entity (Doyle, 2016). Whichever model is used, because it determines apportionment of rights ownership, will have significant commercial implications for the programme-maker.

In the UK, intervention through the 2003 Communications Act greatly improved transparency in negotiations between domestic PSM broadcasting commissioners and independent producers and it has facilitated the prevalence of a 'deficit financing' approach where UK producers have been able to retain much higher levels of rights ownership than previously. It is widely recognised that this intervention, which enabled exploitation by producers of self-owned portfolios of intellectual property assets, has been transformative for the UK production sector (Doyle and Paterson, 2008).

However deals to make programmes for SVoD services generally take place on a 'cost plus' basis where most rights have to be relinquished. So as commissioning power shifts, in an evolving television environment, from PSB broadcasters to globalised SVoD platforms who are 'pushing us back into the world [of the] cost plus model' (Goldberg, Interview, London, November 2018), many producers, while welcoming the upsurge in commissions, are at the same time wary of the implications in relation to loss of ownership of IP (Doyle, Paterson and Barr, 2021).

Relations with Broadcasters

The content acquisition strategies of SVoDs entail numerous forms of interaction and collaboration with traditional broadcasters, especially PSM broadcasters, who, as well as being potential co-financiers of original programmes, are also in many cases owners of vast back-catalogues of second-hand content. When compared with commissioning original material, '[b]uying rights to distribute non-exclusive [second-hand] content is easier and cheaper and often takes the form of bulk deals with broadcasters or producers for back-catalogue titles and older content' (Afilipoaie et al, 2021: 308).

But collaboration is complicated by the fact that, while this yields benefits for both SVoDs and PSM broadcasters, these parties are also major competitors for content, talent and the attention of audiences (Ganatra, 2023). SVoDs and broadcasters have at times been referred to as 'frenemies' (Hansen, 2020) – a status that points to the ambivalence of a relationship where the potential is present both for helpful business partnership and harmful rivalry. Earlier research has highlighted how, for broadcasters, deals to co-finance or supply content to SVoDs are fraught with such risks as impairment of their own brands or exposure to commercial pressures that counter their PSM remits (D'Arma et al, 2021; Raats and Jensen, 2021).

Relations between SVoDs and broadcasters have evolved over time (Michalis, 2022; Iordache et al, 2022). The UK has a unique PSB system comprising the BBC, ITV, Channel 4 and Channel 5, which operate throughout the UK, and STV, S4C and UTV (owned by ITV), which operate in Scotland, Wales and Northern Ireland respectively. Initially organisations such as the BBC and ITV were a regular source of back catalogue material (Steemers, 2016). As Kevin Lygo, Managing Director of Media and Entertainment at ITV acknowledges, large amounts of older programming were sold to, for example, Amazon and Netflix who would 'hoover up libraries' (Lygo, Interview, London, December 2018). But over time perceptions have changed as recognition dawned of the looming threat posed by streamers and as PSMs realized that '…we were feeding them [Netflix and Amazon] our lunch!' (ibid).

A re-think by PSM organisations on supplying older programmes to streamers is unlikely to reverse the recent migration of audiences towards SVoDs. As James Penny, CEO of Mammoth Screen put it, in a world where there are many alternative sources of access to suitable programming for deep-pocketed buyers, 'ITV can't make Netflix disappear by withholding its content' (Penny, Interview, London, January 2019). Nonetheless, a change in strategic approach on the part of PSM broadcasters, characterised by greater reluctance to sell back-catalogue material, is now evident. Broadcasters are instead setting up their own subscription-based streaming services (Iordache, Raats and Afilipoaie, 2022) and PSM organisations such as the BBC are striving to push back against online rivals by making their own catch-up services, as opposed to their channels, the key touch point for their audiences (Michalis, 2022). As research focusing on the Danish experience has shown, this re-weighting has extended the ways that valued types of public service content are exposed to viewers via VOD interfaces (Lassen and Sørensen, 2021) and resulted in new PSM scheduling strategies designed to support merged linear and non-linear viewing (Bruun and Bille, 2022). As D'Arma et al observed, drawing on Napoli's earlier analytical framework, in their study of European PSM organisations to the rise of SVoDs (D'Arma, Raats and Steemers, 2021), initial complacency has given way, over time, to more considered and coherent strategic responses.

A strategy of increased focus on online modes of interface with audiences is not new (Grainge and Johnson, 2018; Michalis, 2022). For many years 'broadcasters have been developing their online presence and placing ever-greater emphasis on digital platforms as the key touch points where audiences can engage with content' (Doyle 2016). But 'sharply increased' competition from SVoDs and ongoing fragmentation of audiences has focused minds on the need for PSM's to 'more rapidly rebalance their portfolios' from linear to on-demand (Foster, 2019: 19). At the BBC, for example, the need to ‘move to an internet future’ is seen as ‘urgent’, according to Director-General Tim Davie who, in a speech to the Royal Television Society in December 2022, suggested that (subject to universally accessible broadband across the UK) internet-*only* distribution represents the future for all BBC offerings, including linear channels, with all services consolidated under one globally ‘market leading’ online brand (Davie, 2022).

At the same time as PSM broadcasters devise strategies for shifting to online distribution, some SVoD services have been examining alternative revenue strategies such as switching to advertiser-based model or new ways of differentiating their brands through focusing on niche content or new commissioning models (Barker, 2022). So, intensifying competition has, to some extent at least, fostered similarities and alignments in the sort of strategic responses being considered by both SVoDs and traditional TV broadcasters.

The Role and Value of PSM in a Changing TV Environment

However PSM and SVoD services are *not* substitutes. PSM are publicly funded entities providing content services, free at the point of consumption, that are, in the round, designed to benefit society (Freedman and Goblot, 2018; Lowe et al, 2018). SVoDs, by contrast, are profit seeking, subscriber-funded, data-driven, multi-territory services designed to maximise revenues. The sort of locally-relevant content services that PSMs provide audiences with is, on the whole, different from the fare on offer from SVoDs (Michalis, 2022). Therefore, it may well be argued that the rise of globalised streamers such as Netflix, Amazon Prime and Disney+ is not in itself a threat to PSM. Indeed if anything it strengthens the case for well-funded locally owned PSM organisations that ensure a continued supply of the sort of locally relevant and culturally-specific content which audiences want and benefit from.

The idea that, in a media environment increasingly ‘dominated by global gatekeepers, partial news and American taste-makers’, PSM are needed to supply audiences with news and current affairs and programmes that reflect distinctly local interests and concerns has been highlighted, for example, by Tony Hall, Director-General (DG) of the BBC from 2013 to 2020 (Hall, 2015). The positioning of the BBC both as a crucial counterweight to globalised platforms and as a champion of the local creative economy remains a key message for his successor as DG Tim Davie who, in a speech to the RTS, asked rhetorically:

> ‘[Are we ‘r]esigned to the fact that our culture and creative economy will be shaped by polarised platforms and overseas content. Or are we proactively going to take steps to tell our own stories, and remain the envy of the world’?
>
> (Davie, 2022)

Looking beyond the UK, arguments to the effect that the growing economic power and market prominence of global streamers magnifies rather than diminishes the need for PSM can be heard right across Europe. In Ireland for example, Dee Forbes, the CEO of RTÉ, has pointed out that ‘for all the brilliance of the programming available on Netflix, Disney +, Amazon or Apple TV – beyond one or two one-offs, none of these services have shown any interest in commissioning programmes that reflect contemporary Irish life …’ (Forbes, 2022). This is why, according to Channel 4 CEO Alex Mahon, PSM who supply distinctive local content play such a vital role in counteracting the effects of ever-increasing concentration of economic power in the hands of ‘a few tech behemoths – mostly US-based - who increasingly want to decide what we read, watch and listen to’ (Mahon, 2019). Highlighting contrasts between the economic model and the *raison d’être* of streamers versus PSM organisations, Mahon is clear about why SVoDs and PSM cannot be regarded as substitutes:

> ‘The economics of this “trans-territory filler work” mean that an SVoD like Netflix could stitch together one big audience from a set of separate, disassociated audiences in different markets. [...]

> The global telly of the future will not be - and isn't being - designed to reflect Britain back to itself, to bring the nation together at particular moments, to inform and educate a particular society or to care about promoting any kind of social cohesion'
>
> (Mahon, 2019).

Concerns about US dominance of screen industries have a very long history in the context of UK and European policy discourse (Esser, 2016; Mulgan and Paterson, 1993; Puttnam and Watson, 1997). But do audiences care about local content? The centrality of television within everyday cultural engagement and as a vector through which societal 'values, myths and symbols that serve to unite' are shaped and shared is widely recognized in academic literature (Smith, 1998: 187). In reality too, an abundance of empirical evidence indicates that audiences like indigenous content and are strongly aware of the role that PSM plays in supplying locally-relevant programming and they value the benefits it confers both personally and at a wider societal level (FOMC, 2022: 85; Ofcom, 2020c; 2021a; 2022: 60). While the growth strategies of SVoDs have involved investment in *some* high profile locally-relevant television content, it remains that PSM organisartions such as the BBC, C4 etc are responsible for commissioning and producing a far greater range and depth of original programming across all genres that reflect and resonate with the concerns, past and present, of local audiences than SVoDs (Freedman and Goblot, 2018; Ofcom, 2021c:7).

The viewpoint that PSM play an important role in supporting the production of certain sorts of quintessentially local content is echoed by many programme-makers too, who are generally very aware that, notwithstanding the growth of streamers, domestic public service broadcasters or PSM are still the largest customers for original local programming. In the UK, PSMs, and especially the BBC, focus a significant proportion of their expenditure on commissioning content from smaller independent producers (Ofcom 2021b; Oliver & Ohlbaum, 2018; 2022). C4's commissioning strategy is particularly supportive of the development of independent producers in areas outside of London (Ernst & Young, 2021: 36). Thus, PSM strategies are important in promoting ongoing renewal and revitalisation within television production – a sector which relies on constant replenishment to sustain competition and to ensure a flow of new creative ideas (Doyle et al, 2021).

Conclusions and Implications for Media Policy

The growing popularity of SVoDs means wider circulation for diverse content drawn from a variety of international sources. Oddly perhaps, this situation offers support both for pro-globalist *and* for culturally protectionist positions. On the one hand, the growing acceptability for audiences of programming that comes from varied transnational sources successfully demonstrates how the multi-territory distribution model of SVoDs can extend audience tastes and strengthen cross-border cultural flows. On the other hand, the increased power of a handful of globalized SVoDs who predominate as the key interface with television audiences across multiple territories, selecting and supplying the content that is watched, poses obvious concerns about the relative positioning and status of local story-telling and culture.

While the rise of SVoDs has dramatically re-shaped the context in which television broadcasters operate and established new norms and expectations around viewing (Evens et al, 2023), this article highlights how PSM organisations are still recognised by audiences as being pivotal to provision of distinctive locally relevant content. The role of PSM, as industrial conditions evolve, is pivotal not only in relation to the immediate needs of audiences but also the longer-term economic sustainability of local production. A key danger posed by the growing economic power of SVoDs and by ongoing processes of consolidation of ownership is not necessarily 'that British content will disappear…[but rather that British talent] …will work for companies owned by US or other foreign interests, on projects chosen by non-British commissioners and aimed at global audiences, and that the lion's share of the economic benefits of their work will accrue to major international players' (Thompson, 2018: 21). As Tim Davie points out, what is at stake is not just what is available on screens now but also in the future:

> ‘Today, I believe we are in a period of real jeopardy. A life-threatening challenge to our local media and the cultural and social benefit they provide. This is not an immediate crisis for audiences. The choice of high-quality TV and audio has never been better. The threat is not about if there is choice, it is about the scope of future choice and what factors shape it.’
>
> (Davie, 2022)

With regard to implications for policy, regulatory responses to the growth of SVoDs have included initiatives at national and European level aimed at encouraging streamers to invest or give prominence to locally-made content (García Leiva, 2020; Lobato and Scarlata 2022; Cunningham and Eklund, 2022). As Iosifidis points out, there is a strong case for interventions that ‘level the playing field’ (Iosifidis, 2020) and harness SVoDs to public purposes. However this paper argues that, above all, a key implication for public policy arising from the rise of SVoDs and of big tech platforms is that more attention needs to be paid to how, in the digital era, societal welfare is increasingly and acutely dependent on the proper functioning of PSM.

In essence, changes in distribution technologies and in the economics of the industry that are fuelling consolidation and the rise of big tech platforms greatly reinforce and accentuate the need for PSM. This article has focused particularly on the effects of US-based SVoDs. As their growing commissioning power serves to inflect content more and more towards international markets, the role played by PSM as a bulwark, supporting provision of distinctive local content and of regional independent production activity, is vital. But looking beyond SVoDs, the rise of big tech platforms and of online media distribution more generally is re-configuring how PSM deliver public value in the digital era. At a time of increased threat posed by big tech disruptors, pandemics and orchestrated campaigns of misinformation, the role played by PSM as a counterweight that enables informed discourse and promotes social integration is ever more essential (EBU, 2018; European Commission, 2018; Freedman, 2019). So, the effects of big tech platforms, including SVoDs, on expectations about the role that PSM should perform are, in some cases, not merely about adding new layers to traditional remits. More fundamentally, I would argue that they re-position PSM as elements of what might be seen as *critical media infrastructure*.

Although the idea of media as ‘infrastructure’ is discernible in media policy texts in Scandinavian countries such as Norway (Enli et al, 2018) and more recently Ireland (FOMC, 2022), it is not commonly present within media policy discourses in the UK or elsewhere. Infrastructure that is ‘critical’ means systems or assets that are essential to national life (Yusta, Correa and Lacal-Arántegui, 2011). This is generally agreed to include telephony and communications. But, with the growing power and influence of big tech platforms, the systems of communication needed to support the functioning of daily life are increasingly complex and interdependent and nowadays these include not just physical infrastructure but also the institution of PSM provision. The implication – an important one at a time of uncertainty in the UK and many other European countries about ongoing reliance on the compulsory television licence fee as a funding mechanism – is that, based around recognition of the vital and essential functions performed by PSM in the internet era, our understanding of how PSM is legitimized and of the imperatives underlying public intervention to protect and facilitate its resilience are in need of a re-think.

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