Management in the Public Broadcasting Service: The reasons for a change of strategy

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Abstract

Being faced with massive competition, public service broadcasters are in a constant struggle for audiences' attention, and are increasingly changing their outdated, patriarchal and elitist position in order to radically modernize. For public broadcasters the choice of future business strategy depends on their capability to introduce technological changes and provide linear broadcasting and non-linear media, as well as on the quality of programming that can resist the pressure of private broadcasters' competition. That is why the time is ripe for a transitional transformation of the PSB in order to bridge the gap between senders and receivers of media messages. Over the course of this transition the public service broadcasting develops into the public service media. The intensive orientation of media firms to portfolio strategies is due to diversity of their production programme, increased and diversified business areas of their interest, as well as to the necessity of simultaneous development of new business concepts and communication products. Media companies have to be flexible enough to respond to the challenges of the digital switchover and fragmentised audience, while still promoting public interest as the guiding principle of their business management.

Key words: *audience fragmentation, business strategy, media management, public broadcasting service.*

1. AN INTRODUCTORY PLEA

Any public broadcasting company's goal is to be the country's media market leader. In conditions of dual financing model and harsh competition, accomplishment of such a goal requires maximum efforts in terms of technical-technological innovations, innovative programming and improved organization.

Not less effort is required so as to resist the pressure of consumers' demand, endless offer of new media platforms and high distribution costs and still keep to the PSB's basic mission to inform, educate, entertain and empower citizens. It is necessary that the PSB's collective potential is expanded on facilitation, collaboration, democratization and mobilization (Council of Europe, 2009).

In spite of the fact that PSB's mission in most of European countries is clearly defined and its legitimacy and legality recognized, there are still certain issues concerning its future and models of its business strategy.

Yet it can be predicted that public broadcasting companies can only survive if they a) provide quality content[1] and b) develop capacities for accessible, stable and reliable platforms for public interactions.

This implies acceptance of mutually dependent principles of innovativeness, openness, independence, transparence and responsibility (Committee of experts on new media, 2010).

According to the UNESCO's report (2003) radio and television as public services are major social and cultural institutions the reliability of which must be maintained by all means. It is the remit of public broadcasters to cater for all different sections of the population, serving national interests and at the same time protecting its independence and integrity. The support to public media comes from European institutions, national governments and citizens.

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[1] There are no strictly defined objective measures in evaluating the programme quality. Therefore it is more useful to compare the public to private commercial broadcasters by comparing genres in their programming. Public service channels offer much more than commercial ones factual, educative and cultural programmes, which are considered to be high-quality genres of significant social value. In France and Germany, with their dual financing system, there are twice as much of these programmes on public channels than on the commercial ones. In the programme offer of the Spanish national public service broadcaster the share of high quality genres is by 60% higher than on commercial channels. In the countries where public broadcasting funding is from the licence fee alone (Great Britain) these types of genre are even more dominant.

In the Programme of action adopted at the 6th European Ministerial Conference on Mass Media Policy

(*A media policy for tomorrow* Cracow, 2000) among the obligations of the Steering committee on the Mass Media (CDMM) concerning social cohesion the need for support is stressed, in order for the countries to develop policies and measures that would enable the media to promote social cohesion and prevent the threat of social exclusion and divisions posed by the development of the information society. The same document acknowledges the importance of the fact that public service broadcasting, both radio and television, support the values underlying the political, legal and social structures of democratic societies, and in particular respect for human rights, culture and political pluralism. The importance is also recalled of what was stressed in the Resolution 1 of the 4th European Ministerial Conference on Mass Media Policy (*The media in a democratic society,* Prague, 1994) – that the countries (participating in the Conference) should establish an appropriate and secure funding framework which guarantees public service broadcasters the means necessary to accomplish their missions, for sustaining and promoting public service broadcasting, such as: licence fees, public subsidies, advertising and sponsorship revenue, sales of their audio-visual works and programme agreements.

As Chester and Montgomery put it (1992) modern public broadcasting is expected to be a universal service, providing three types of information and services (basic services, public news, political information); to maintain the status of public, national broadcatsing with non-commercial programms on the national and local levels; to develop alternative programs, even new national networks with various specialized content.

Public service broadcasting (PBS) should maintain its social role of a general "communication good", to create public values and set the standards for the overall media industry (McQuail, 2003). In the sociological sense, PSB as institutions have important role in society and are among the key social-integrative factors. This role can only be fulfilled successfully if they nurture national identity and culture by offering the content that is universal, diversified and impartial. PSB must be guaranteed the independence against political and economic interference, and financed directly by their audiences secure. PSB must also be guaranteed secure and appropriate means necessary for the fulfilment of their missions, since that is indeed a crucial requirement if they are to accomplish their missions in a fully independent manner. The Prague 1994 Guidelines Nos. 17 to 19 specify the funding procedures which should be applied by the states in order to secure the independence of public service broadcasting organisations.

Public service broadcasting is generally considered to be the media system which reflects the general public's perception of social phenomena, contributes to social integration and regulation and resists the market dictatorship.

As pointed out by B. Bergant, Director of the South East Europe Media Organization (SEEMO), "Public television is the last bastion of truth and creativity", since " it is public service broadcasting alone that protects us from the money dictation" (2002:17).

At present, there are public (national, central, state) servise boradcasting organizations in all the European countries. Public and pluralistic broadcasting system (public = lat. publicus, unhided, known of, accessible by everyone, ment for everybody) should be open for all the sectors of society and relevant options; it is still the biggest and most influential of all the mass media.

The audience researches show that it is most often public TV channels that European citizens niclude in their regular viewing lists. While private, commercial media sector is financially stronger and focused on more effective, penetrating content, PSB channels are still in high positions in terms of viewing/listening time (Nissen, 2006:5). According to an audience measurement in 22 European countries and 131 major public broadcasting organizations and commercial channels (March 2002) 93% of population watched at least one of their national PSB channels.

The viewing figures for a PSB channel compared to total television viewing differed by merely 7% on the average. As the number of channels increases, their public decreases, but the research results confirm that a PSB channel which over a few years has a decrease in viewing by 33%, has actually lost only about 10% of its public (Menneer, 2003). The channel still remains in the "repertoire" of regularly watched channels with three of the four citizens who pay TV licence fee (or other equivalent to public financing).

In the future the use of PSB's broadbend services should also be covered by audience measurement. According to estimations (EBU, 2009) the PSB's online services average 20.5% of visits (differences are significant among PSBs: over the period September 2008 – August 2009 these averages ranged from 2.9% to 51%). Regarding the fact that European users, especially the younger ones (aged 14 – 29) spend 85 minutes a day on the Internet (EBU, 2009) it is expected that the PSB's broadband services will gradually gain more users.

However, TV programme consumers in Europe watch both public and private channels, spending 64% of their viewing time on private ones, so that merely 36% is left for public channels (Menneer, 2003). Picard (2001) presents the examples of PSB channels' viewing at the very end of the 20th century: the market share of German PSB channels was 34.5%, in Italy it was 34%, in Ireland around 26%, in Sweden 22% and in Great Britain only 16%. In the first decade of the 21st century the share of PSB channels in overall TV viewing grew significantly (Table 1).

The audience's loyalty is stronger in countries with more stable political and economic systems, i.e in those whose citizens have more confidence in their country's legal system (Marjanovic, 2009:169).

Table 1. European PSB's market share, all national PSB channels – 24h, all audiences (EBU, 2010)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Austria	55.6	54.4	53.2	50.6	50.1	47.1	46.9	42.4	41.1	38.5
Belgium Fl.	31.0	33.5	35.9	37.6	37.5	36.3	38.3	39.4	40.2	41.3
Belgium Fr.										
Czech Republic	31.32	29.11	29.93	29.62	30.38	29.77	31.26	31.89	31.02	28.57
Denmark	31.8	31.0	32.0	33.6	34.0	32.7	32.5	31.1	28.8	27.0
Estonia	16.6	17.1	18.0	16.7	18.0	17.1	17.3	16.4	15.8	16.9
Finland	43.2	42.2	45.3	43.4	45.2	44.3	45.2	43.7	44.5	43.7
France	40.7	40.1	39.6	39.5	38.7	37.6	37.0	35.5	34.7	32.7
Germany	43.2	43.4	44.5	44.3	45.0	44.2	45.0	43.9	44.2	43.5
Hungary	15.2	14.8	17.1	19.1	19.1	17.6	18.6	16.6	15.0	13.6
Ireland	45.4	41.2	40.4	37.8	38.3	7.8	38.4	37.1	36.6	34.4
Italy	47.3	47.1	46.5	44.9	44.3	43.3	43.6	42.2	42.3	40.7
Netherlands	36.6	36.1	36.1	34.4	36.1	33.2	32.8	31.3	34.9	33.9
Poland	50.6	49.2	53.0	54.5	52.2	51.2	51.1	48.3	45.5	42.2
Russian Federation	52.4	48.9	51.1	53.8	51.9	52.7	53.9	49.0	47.0	45.1
Serbia				26.9	28.3	28.7	34.1	33.3	33.8	31.8
Slovakia	25.3	27.1	25.6	24.9	29.9	25.0	24.7	22.8	22.4	20.0
Spain	32.4	32.7	32.5	30.7	28.3	25.5	23.4	22.5	22.6	22.7
Sweden	43.2	41.9	42.9	40.5	40.4	39.7	38.3	34.5	34.1	33.1
Switzerland German			35.9	35.4	35.2	34.1	35.3	34.2	34.8	34.0
Switzerland French			32.6	33.1	32.3	33.5	34.1	32.2	32.0	30.7
Switzerland Italian			32.3	35.7	37.2	36.8	35.7	34.6	35.4	33.9
United Kingdom		38.8	38.1	37.4	35.5	33.9	33.1	32.5	31.9	30.9

However, it is generally argued that the European public service broadcasting is faced with a crisis of identity. The reports show a decrease of their revenues, audience fragmentation and reduced number of younger audiences. The private sector competitors and their supporters increasingly complain about the deficit in the PSBs legitimacy. Even the very idea of public service broadcasting is under question, and these organizations are considered to belong to the past, since the choice of media content has increased enormously and become available to everyone – which are all the arguments of those who say that there is no need for public intervention (Kivikuru, 2006). Public servervice broadcasters are being critisized by competitors in a challenging, often even hostile political environment (Car, 2007) on the national and local levels, the majority of accusations coming from the neoliberal approach to PSB. One of its slogans, "cut, cut, cut" reflects clearly the critics from the WTO referring to a "privileged" financial position of PSBs. The debates on the future of public service broadcasting include the question of what services PSBs hould offer in the future, in addition to broadcasting as a presently dominant activity (Nissen, 2006). Some even fear the prospects of marginalization of PSB and turned into niche broadcasters providing programme that neither commercial broadcasters nor wider audience are not interested in (EBU, 2009).

The PSB firms in the East European countries are being critisized much more than the others, due to their burden of ideological heritage and the state monopoly over them until rather recent times, as well as to relatively successful transition and transformation of the state-owned media towards more independent ones (Milivojevic, 2005). Miletic (2009:142) points to process of media use globalization which in some cases leads to a situation when even national media systems on the whole will not be able any more to attract their "natural" domestic audiences, due to internationalization of media content and its universal accessibility unlimited by national borders (McQuail, 1994:132).

However, the pessimistic forecasts by commercial competitors and political oponents about the "death" of the PSB have proved to be exageratted, and the arguments about the "limitless" offer by commercial media unrealitic (Jakubowicz, 2006). Also the positioning of any new media organizations aiming at such a large audience is always a slow and hard process. Collins (et al., 2001) believes that there must be a place for public service broadcasting in this age as well, but the nature of its position will depend on the media strategy the very PSBs will opt for, and the support to that choice by their governments; it will also depend on the strength of public broadcasters to undertake the technological changes, as well as on the quality of programme offered that can resist the pressures of commercial competition.

European PSB companies are big and structurally complex organizations with decades of experience (the oldest one is over 80) and more or less all of them have experienced the evolution from the stage of monopoly to managed economy, multichanel, multimedia and finally to the stage of fully digital (Suter, 2005). Public media are rich in resources, well positioned and experienced, their audience is big and so is their credibility; however, they have now reached the point when they must modernize, and that requires undefined structural changes and rather risky business decisions.

It has been reported (Eurodata TV, 2010) that daily TV wieving in the miggest European TV markets has reached unprecedented 3 hours 12 minutes, proving that television is still a popular medium that can hardly be surpressed by any new one; hence the conclusion is that a suffcent amount of the "market pie" can be the share of PSB's channels. Jacques Braun, the Vice-president of Eurodata TV Worldwide, says that "Worldwide TV consumption in 2009 was not only unaffected by the crisis, but broke new records with a worldwide daily viewing time of 3 hours and 12 minutes. Audiences have never been so high, and the new technologies offer viewers more possibilities". The audience is watching TV more, but now watching differently. This means that in addition to technological developments to be introduced by the PSB the *content* still remains the most important, decisive point of their adjustment aimed at successful performance. Although media globalization and the changing economic climate have forced the producers to succumb to the dictation of uniformity of radio and television content, especially that of formats, national PSB channels' ratings are still among the highest (Eurodata TV Worldwide, March, 2010).

Being faced with massive competition, public service broadcasters are in a constant struggle for audiences' attention and are increasingly changing their "outdated, patriarchal and elitist" (Murdock, 2005) position in order to radically modernize themselves. It is difficult to give a precise answer to the question about the best strategy for sustaining and developing the public service broadcasting. Jakubowicz (2006) thinks that there is no ready-made strategy, and even if there were one its success would be hard to guarantee.

What is obvious at the moment is the neccessity of establishing the corporate strategy of public broadcasting, basing on the following:

- High level of adjustment to relatively fast changes in the environment in terms of economic, political, legal and technological components;
- Organization that supports the culture of change;
- Applying of "programmed convergency" strategy based on cross-platform, in order for the public broadcasters to provide all the households with wide scope of services free of charge;
- Orientation towards both mass and fragmentised public (differentiation strategy);
- Commitment to quality and popularity as well, and promoting estetical and ethical values;
- Orientation of media management to three most important technological-communication objectives: digital, diversity and dialogue;
- Creation of sustainable business models along with widening of portfolio platform onto strategic decision making concerning future business areas (diversity of programmes and platforms) their levels of development, planning of resources and investments, analysis of prices and quality competitiveness.

2. CHALLENGES OF DIGITALIZATION: TO RESOLVE ALL THE ISSUES BEFORE THE FINAL ANALOGUE SWITCH-OFF

Public service broadcasting is one of the pillars of the information society so it is neccessary for it to "derive" from the new media technologies as much benefit as possible. However, the race for presence on all platforms leads to misapprehension of their importance as superior to corporate strategy. In other words, media convergence, though defined differently (Baldwin et al., 1996; Briggs and Burke, 2006:383; Hartley, 2002:39; Watson, 2003:350; Deuze, 2004:143) implies the influence of technology on performance of media organizations in terms of *entire* work organization – business, editorial and economic practices (Lawson-Borders, 2006).

The question is which model of content delivery suits the PSB best. This dilemma is also addresed in the BBC Statements of Programme Policy 2010/2011, in which the most important and favourable platforms are discussed and the right measure of a PSB's engagement in that respect. Quite similar is the opinion of L. Küng (2002) who graphically expressed differences between the new and the old programming strategy in the 21st century (Table 2).

Table 2. Media in the 21st Century (Küng, 2002)

Basic communication paradigm	One-to- many, mass	Two-way, personalized, interactive, on demand
Who produces content?	Experts dictate: content generation relies on artistic expertise and discriminating minds	Customer in the driving seat: decides what and when; end of "journalist knows best"; user generated content
Core customer proposition	Information, education, entertainment	Synthesis of information, communication and service

Digitalization and the Internet require the PSB to adjust to the changing environment in terms of convergence, interactivity and modes of informing. In addition to undoubtfull advantages due to digitalization, it also significantly changes the relationships between the actors and requires a redefining of the PSB's and commercial broadcasters' positions in the media scene. Digitalization is not only a technological process; changing position of broadcasters, emerging of new stakeholders and their growing economic interests require a change of the entire media policy. That change should be in the first place directed towards afirmation of public interest and social benefit.

With terrestrial implementation of digital technology television definitely loses the ownership over the medium for transmitting its messages. As in the case of cable distribution systems (CDS) and television via the Internet (IPTV) it is the provider who takes over the role of mediator between the media sender and citizens, investing a portion of his broadband network resource into distribution of television signal. In that case, what's left for television stations is the broadcasting activity alone. The whole frequentions spectrum that had earlier been occupied by television is now being devided into the amount for television and the one for other services, i.e the so called digital dividend. This situation changes significantly the positons of all the participants in the broadcasting chain (Radenkovic, 2010:20).

What circulates in digital systems is the data and not signals. That is what makes the division of capacities of all services more flexible. Depending on private and economic interests the priorities are set and the scope of all the services offered by the provider. In other words, another interested party is being introduced into the television system: not only the broadcaster but the distributor as well is interested in the value of the programme content.

Without a significant influence of the public and its legalized control over public broadcasters, in case of their business failure broadcasters could easily compensate it on the citizens' account. That is the case with the public broadcasting organizations that fail to bring in enough revenue (collect licence fee) which results in an insufficient budget, and also with those that are overstaffed but their viewing figures show a small share in television market[2].

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[2] The regional public service broadcaster of Voivodina (RUV RTV), the major characteristic of which is its intercultural strategy, has recently been criticized for being overstaffed (1,400 employed) in comparison to its market share (Channel One 2.5% in 2009).

This problem is most evident in transitional countries where digitalization and especially privatization of telecommunications and broadcasting services have sharpened the opposition of public and commercial interests. This affects the citizens' interests most. All these issues must be adressed before the analogue transmitters are finally switched off.

3. FRAGMENTATION OF AUDIENCE

Digitalization has become synonymous with audience fragmentation, multimedia services are expected to provide "personalized public service" (Wiio, 2004). Audience is fragmentized into smaller audiences in the wide spectrum of media supply providing more freedom in the way the information are obtained. Nissen (2010) claims that in the years to come the majority of media consumers will require a mix of flows of mass and personal services.

Fragmentation of audience reduces the chances of access to each media alternative in the media market (Tewksbury, 2005). So it becomes much more difficult and more expensive for traditional media to reach potential audience, especially for those media companies with limited access through media lines. Apart from that, fragmentation brings about other changes, social ones in the first place, since it enables and stimulates niche interests, people's focusing on personalized media consumption motivated by their needs and egoistic interests (Sunstein, 2001; Webster and Phalenov, 1997; Webster and Lin, 2002). These processes result in narrowing the focus of interest to particular content and ignoring of other messages (Katz, 1996); the audience sees only what it wants to see, hears what it wants to hear, reads what it wants to read.

This situation creates economic problems to advertisers as well, who preferably address the mass public in order for their advertising to be profitable; fragmentation of audience and consumption reduces advertising revenues. Commercial media are primarilly hit by this processses, but also those public broadcasters who rely significantly on advertising revenues. Competition among media companies is now expanded onto their portals. Consequently more marketing acivities are necesssary since advertizers require multimedia solution for promotig their products.

For public broadcasters the audience fragmentation means the loss of their common base of informing and hence a distorsion of their traditional role in society. That is why the time is ripe for the PSB to revive its social role by building closer relationships with its users, and even narrow the gap between senders and receivers of media messages, to become more open, more responsible, more interactive, to deliver a broad range of easily accessible content on modern platforms, and even electronic programme documentation, the so called programme library[3].

Therefore the PSB's management must target the needs and interests of large (mainstream) audiences as well as of the niche ones. In that respect it is necessary to: a) overcome the painful issue of ratings as the only measure of professional success[4]; b) adopt the non-standard methods of audience measurement; c) introduce the non-linear programmmes; d) provide more delivery channels; e) use the broadband network to deliver more new products and services.

Widening of reach is an advantage not only for big advertisers, but for the small ones as well, who so far mostly used press or radio.

4. MANAGEMENT'S TASKS: BROADENING OF PORTFOLIO PLATFORMS

It is the major task of a PSB's management to define a strategy for retaining the principles of public servise broadcasting while adjusting the company's performance to converging services, and generating content that conveys social values (Iosifidis, 2010). In order for the public media to survive in a pluralistic society it is of primary importance that citizens trust them and find their programmes appealing (Ratkovic-Njegovan, 2007:23). If efficiency is their aim as well, they must be popular as well as credible – so as to reach large audiences and not only small ones (Collins et al., 2001).

In the increasingly competent environment public broadcasters will certainly base the majority of their services on the corrective-complementary model (Jakubowicz), focusing on culture, education and other programming that commercial media do not find profitable[5].

Whether the goals will be achieved depends on the quality of work of the media organization's management.

In assessing the management's performance the following parametres are usually applied: the media organization's image; use of strategic approach; systematic survey of media environment; readiness to react to changes in the media market; flexibility of organizational structure; efficiency of business communications; level of control and controling; entrepreneurship organization; recruiting of creative professionals; following the technological changes; personal and organizational innovativeness; level of informing and level of competititveness (Draskovic, 2008). In the future, in order to comply with these criteria media organization will have to develop innovative strategies, flexibility and competitiveness.

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[3] Sweden PSB (SVT) has established the "Open archive" service, consisting of rich electronic documentation of TV programmes ("programme library") which is easily accessible.

[4] In the Netherlands, the quality of public service radio and television content, particular programmes and web pages is assessed by using the so-called quality maps. Mapping is used for evaluation of 8 dimensions: quality, reliability, innovativeness, diversity, social impact, market share, reach, cost effectiveness and efficiency (Van Meurs, L., De Vos, B. and Van den Putte, B., [2006], *Mapping programme quality: Evaluating the quality of television programmes using an online Appreciation Panel.* Paper for the RIPE@2006 Conference, the Netherlands, November 16–18).

[5] Television genres like factual, information, educative and arts average 51% of the broadcasting time on the major channels of PSBs that are EBU members. The percentage is even higher if their thematic channels are taken into account (*Production of quality domestic content* (2005), in: *Diffussion* 2005/1, EBU).

In that respect Moser-Wellman (2007) speaks of four areas of media organization's activity: portfolio entrepreneurship, dynamic processes, flexible organization and inspired leadership.

A more intensive orientation of media organizations to portfolio strategies is caused by the following: diversity in production programme; increased number of business areas and their diversification; the need for simultaneous development of new business concepts and new communication products; investments into services and media products for which the market demand is rising.

The portfolio strategy is based on the prognostics model; it counts on high business risks and experimenting and hence includes the readiness to react to losses by rapid new trials (risk culture).

This entrepreneur orientation requires dynamic internal and external processes and development of innovations on all the levels, following the imperatives: create a business development function; fixate on the consumer; revisit and adapt the business strategy; invest in technology; have dynamic relationships with the public; create flexible organizational structures, recursive and self-transformative organization (Moser-Wellman, 2007).

The strategy is based on the growth as a component defining the direction of the company's future performance, on competitive advantages, and on strategic flexibility. This matrix includes planning of resources and investments, and analysis of prices and quality competitiveness.

The analysis can suggest which activities should be eliminated and which retained and possibly developed later on (Todorovic, 2003). More radical interpretations of portfolio strategy are based on the concept of agressive growth of media companies' income and modifying the strategy from being bottom-line to top-line.

In a portfolio analysis of a media organization those business activities are analyzed which can be so-called strategic units.

For public service broadcasting those are: quality news and education programmes, domestic programme, formats complying with national requirements, programmes for children (niche products), programmes for minorities, the elderly, the poor (micro-nishe products) – which is all in accordance with tribal marketing strategy.

Public broadcasters are increasingly broadening their online content supply as a new strategic unit, giving incentives and encouraging their users to contribute to content creation by themselves or through their chosen social networks. That means the creation of new media products in communication with citizens/audiences as the most important partners.

5. CONCLUSIONS

- **Retain the traditional role.** Traditional public service broadcasting activities have always been connected to providing of content diversity, universality, high quality, to supporting democracy, protection of national culture and identity. In the future the PSB organizations will be able to retain this role only if they develop interactive relationships, stay open for co-operation, and improve their potentials for nurturing public values. All that would inevitaby lead to a transformation of public service broadcasting into public service media (Bardoel and Lowe, 2007; Nissen, 2010).

- **Expand the delivery onto new platforms.** In the changing technological environment the question has been stressed whether the PSBs should deliver their traditional content on the new platforms or their role is to provide the public with other types of services as well, the ones generated with the new technologies. The latter would mean broadening of the PSB's activities onto various types of services, like video and audio archive, online heritage, multimedia education packages, etc. The solution is in the PSB's orientation to linear broadcasting and non-linear media along with developing of a balanced corporate portfolio strategy. This strategy requires different management for different businesses in different competition environments, regarding differences in growth potentials and potentials for generating (using) financial inflow (Todorovic, 2003). From the portfolio standpoint it means: a) planning of invesments that generate competitive advantages; b) investigating the potentials of the new media; c) assessment of all the projects to be delivered through the new media; d) planning the long-term growth and economic efficiency; e) developing of interactive services; f) flexibility, efficiency and eficacy that would not endanger the quality; g) risk evaluation and the readiness for both success and failure.

- **Provide both high-quality and attractive content.** Extending the range of PSB's activities isn't only related to new opportunities emerging with new technologies. It is also caused by an increasinig competition with the commercial media, competing over the same audience, and their ever lauder claims that the PSB's delivery of content which can bring revenues from advertizing should be restricted. Public broadcasters are in the media market, in a permanent battle with commercial competitors over some 100 billion hours of television viewing,and are forced to modify their business strategies. The majority of public broadcasters have shifted towards commercialism, at least by including commercial content, compromising with the predominant taste and short term interests of its audiences. At its best, such compromise consists of inoffensive and socially acceptable programming, and at its worst the programming reflects the scarcity of money and good taste and the abundance of populism.

- **Strive to increase viewing/listening.** Quality of public broadcasting can not be judged by their ratings and market shares, and their primary goal is not to achieve mass audiencess at any rate. However, it is the audience that matters. An important indicator of the PSB's success in confirming its legitimacy and justifying its public funding is its weekly reach. It is highly important that the majority of inhabitants inlude at least one of the PSB channels in their regular viewing list. Ideally all the members of TV audience would at least once in an average week watch/listen to one of the PSB channels. According to the standardized definition of weekly reach (GGTAM, EBU, 1999) all the individuals who watch certain channel for at least 15 minutes a week, consequently or not, are considered to be members of its audience (Menneer, 2003).

- **Adjust to a paradoxical situation.** Domestic competitors, transnational communications, social and political changes and technologcal development have put public broadcasters in a paradoxical situation as regards their public mandate. Lowe (2007) writes about four paradoxes of public service media: 1) the amalgamation paradox: organise and act in the same way as any "normal" business but pursue non-profit public service objectives (all of the "burdens" of business with none of the benefits); 2) the competition paradox: when PSM is competitively successful it is called market distortion but when PSM is not it is called a waste of public money (damned when they do; damned when they don't); 3) the synergistic paradox: simultaneously achieve centralisation for efficiency and decentralization for effectivity (be perfectly efficient and perfectly responsive simultaneously); 4) the service paradox: equally emphasize universal service for everybody and personalized services for individuals (facilitate social cohesion and social fragmentation). On top of that PSB organizations are expected to retain their editorial independence regarding professional standards, quality of content and overall editorial policy.

- **Improve performances.** For this goal to be accomplished, public broadcasters must define precisely their remit and production logic. As the old PSB organization structure model (top-down) is insufficiently flexible, creative, independent, interactive and transparent, new forms of management should be developed, aimed at maintaining the trust and approval. New institutional relationships (Hackett, Carroll, 2006) should be developed, not only with the audiences but with all the citizens, communities, advertisers and other partners. PSB companies are the property of citizens, so public interest should be the guiding principle of their business management.

- **Serve the public.** Public broacasting is necessary to all the citizens, due to its enormous democratic potential. Public communication should by no means be decided on and directed by private economic transactions (McQuail, 2005). In addition to most often mentioned PSB's functions (informing, educating, entertaining) serving the public has yet another dimension, which *is investing into citizenry*. Accordiing to Mr. Aleksandar Tijanic, the Director-Genral of the RTS (Serbian Public Broadcasting Media, higly positioned in the domestic media market), Serbian national public broadcaster invests in its end users, in its viewers and listeners.

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