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The Diversity Challenge: Changing Television Markets and Public Service Programming in Finland, 1993-2004

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WORKING PAPER

**THE DIVERSITY CHALLENGE: CHANGING
TELEVISION MARKETS AND PUBLIC SERVICE
PROGRAMMING IN FINLAND, 1993-2004**

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Introduction: The Diversity Paradox?

As in most European countries, also in Finland the past decade has witnessed fundamental transformations in the television market, including changing regulation and, in consequence, increasing commercialization and competition. Consequently, the changes have prompted speculations on their impact on television programming, and created two opposite scenarios that could be called the Diversification Argument and the Diversity Paradox.

A European-wide claim, more or less explicitly stated by many media policy-makers and especially commercial players in reference to the commercialisation of media markets, could be labelled as the Diversification argument. Essentially, it reads that when a state-governed system transforms into to a commercially functioning market, programme supply becomes more diverse. Pertaining to media structures (e.g., Napoli, 1999; Einstein 2004), diversity is often understood as having three dimensions: diversity of the sources (media outlets), diversity of media contents, and diversity of the audience exposure. A basic variation of this argument is the media economic ‘simple programme choice model’, according to which diversity in broadcasting depends positively on the number of channels (e.g., van der Wurff 2005, 253). The diversification scenario then implies that a competitive market situation creates more outlets, and this translates to a more varied programming, if not in terms of vertical diversity (i.e., within each channel) then at least when the television system is examined as a whole (horizontal diversity). (Hellman 2001.)

The other claim, of convergence, could be called the antidote of diversification. The term convergence has many uses in today’s academic and professional parlance on broadcasting (e.g., Hujanen & Lowe 2003; Meier 2003; Murdock 2000) but in this context it is used to refer to a tendency where in a competitive battle for audiences, television contents – and thus programming strategies, particularly those of public service broadcasting and commercial channels – become alike (e.g., DeBens 1998 & 2000, Hellman & Sauri 1994, 1996; Meier 2003). This is at least the case in the fierce market competition situations where the tendency is to compete for audiences and advertisers by offering the majority’s preference. (See, e.g., van Cuilenburg 2000; van der Wurff & van Cuilenburg 2001). Since source diversity does not, according to this argument, equal content diversity, the claim has also aptly been named as the Diversity Paradox (van Cuilenburg 1998, 44).

There are also a few additional ‘sub-claims’ that seem to surround the convergence of programming. One is sometimes referred to with the slogan ‘dumbing down’ or ‘overcommercialization’ (McQuail

2000, 260) of programme supply so that it offers increasing shares of (cheaply bought) entertainment to attract viewers. This has been theorized to be a spiral movement: more competition and more fragmented audiences equal less resources equal more cheaply produced and/or acquired programmes, thus producing a downward cycle of lowering quality and narrowing programme offerings (e.g., Picard 2000). Another related claim is that of Americanization that which pertains to the origin of 'trivial' programming (e.g., deBens & Smaele 2001). The downward cycle has certainly been one vein of public discussion on the status of Finnish television output.ⁱ

Whether the transformation of programme supply follows the Paradox path or evolves towards diversification, it still poses a challenge for public service television. Traditionally, for European public broadcasters, diversity is the main defining notion of their remit. It is a principled concept, a normative criterion of quality and a deliberately sought policy goal aiming at pluralism at various levels: in reflecting the various sectors of society, serving the multiplicity of audiences, and supplying a wide range of choice in programme content. (Blumler 1991; Hellman 2001; McQuail 1992.). The contradictory claims translate into contradictory accusations against public service: Either it has failed by being too elitist and unable to attract viewers or by adjusting to the market demands of lightening output (e.g., Collins 2002). The challenge could be stated more neutrally as follows: With convergence, public service television might lose its diversity mission or become so alike other channels that its remit could be questioned; with diversification, the challenge becomes if and how public service should contribute to diverse output.

With the legitimisation crisis of public service broadcasting all over Europe, the issue has been much discussed, but very little systematic empirical research exists on the extent to which the output of public service television converges or diverges in competitive markets (e.g., Iosifidis et al. 2004). One insightful outlook has been given by Meier (2003) when he discusses convergence and public service programming strategies using the German situation as an illustration. This paper aims to continue the discussion with an empirical multi-dimensional, multi-method case study on Finnish television programming in 1993-2004. At core is whether and to what extent changes can be depicted in the television supply of the nation-wide analogue channels, especially those of public service, and what the developments mean in terms of diversity of a television system. Under examination are programme type structures overall and by channel as well as system and channel diversity and dissimilarity. The Finnish television provides a test case for convergence and diversification claims from the birth to the first independent commercial channel to the first years of the digital multi-channel system.

Contextualizing the Change: Finnish Television Market 1993-2004

While most European countries in the mid 2000s operate by dual systems of public service and commercial broadcasting, in Finland this had been the case almost from the beginning of television broadcasting. Since 1957, there had existed a 'comfortable duopoly' (Hellman & Sauri 1994, 51), as Mainostelevisio (the predecessor of MTV3) sent its own programmes as well as advertisements in its own programming windows in the two channels TV1 and TV2 of the public service Finnish Broadcasting Company (YLE). Liberalisation of the market began, as in many European countries, in the 1980s, and in 1985 Kolmostelevisio, a joint company of MTV and YLE was established to operate a third channel. A new channel was needed, in part, to provide domestic terrestrial alternative to a possible invasion of foreign satellite channels. It also laid the basis for the further commercialisation of the television system in 1993 when MTV3 became an independent channel operator (Hellman 1999). As at summer 1997, the second nation-wide analogue commercial channel Nelonen entered the market. The aim was now to consolidate the structure of TV broadcasting in Finland, keeping commercial broadcasting still as national as possible, but also to ease out the way to terrestrial digitalisation to come. The licence was granted to Ruutunelonen Ltd, as it had gained previous experience as a cable broadcaster and had economically sound owners (Hellman 1999; Wiio 2003).

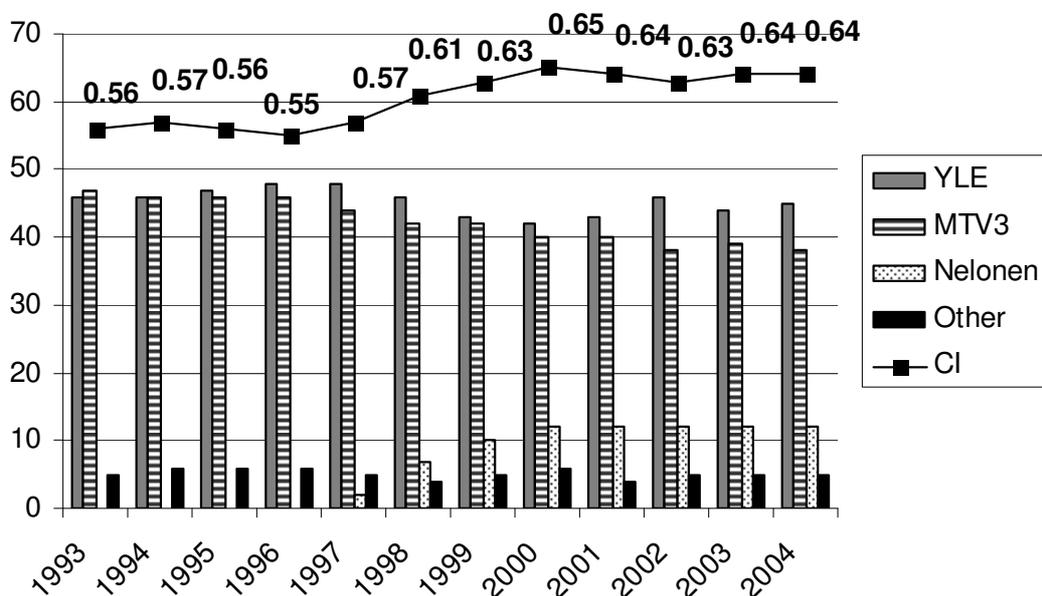
These developments resulted in a major change both in supply and demand of television programmes. Time spent with television is still significantly lower in the Nordic countries than elsewhere in Europe or in the U.S. (Tilastokeskus 2005), but television viewing has grown notably in 12 years, from the average two hours ten minutes per day in 1993 to two hours 47 minutes per day in 2004. Yet, the change in television programme output has been much more dramatic: During the research period, Finnish analogue programme output more than doubled, from 133 hours per week in three channels in 1993, to 389 hours per week in 2004 in four nation-wide channels. The increase in programming time was not only due to Nelonen's entry, but all channels expanded their supply significantly (Aslama and Wallenius 2005).

The late 1990s also witnessed cross-media concentration and since 2001, the three largest media corporations by turnover, in the following order, were the operators of the nation-wide TV channels: SanomaWSOY (Nelonen), AlmaMedia (MTV3) and the public service Finnish Broadcasting Company. Yet, despite of the growth in demand and supply, the share of the nation-wide broadcasting operations of the total Finnish mass media market increased only slightly, partly since Finland is well beyond European average when it comes to share of television advertising in

total advertising expenditures. (Sauri 2002) This fact, combined with the reality of a small market that could not grow endlessly, put private television operators in a financially difficult situation in the early 2000s. At the same time, a common challenge for both public and commercial channels was the digital development that required investments, as the YLE-led digital terrestrial broadcasting began in 2001.

These changes could be expected to cause at least some increase in competition. Chart 1 depicts the development of market shares by the nation-wide broadcasters. Here, the market shares are yearly averages, based on of the Peoplemeter study by Finnpanel Oyⁱⁱ. The chart also shows the trend by the Market Competition Intensity Index (CI). The index is measures competition intensity based on the number of broadcasters as well as on the shares they have in the market. It is calculated by summing up the squares of the market shares and subtracting them from maximum value of competition (one) As CI is concerned with the market situation as a whole, not only with analogue nation-wide channels, there is also the category of “other” that includes all other (cable and satellite) viewing measured by the Peoplemeter study. Also, as competition is at stake, the calculation takes into account broadcasters, not individual channels.ⁱⁱⁱ

Chart 1. Market shares (%) and Market Competition Intensity Index (CI) 1993-2004



Source: Jääsaari et al.. 2005; Tilastokeskus 2005.

It is evident from the chart that the birth of the second commercial channel by a new operator intensified competition in the Finnish television markets. While the Competition Intensity Index still

indicates a relatively concentrated market (see also, e.g., Aslama et al. 2004a & b; van Cuilenburg forthcoming), it shows a clear increase in competition from 1997 on and a peak in 2000. However, the position of public service broadcasting did not wither during the research period. When the move of MTV to the third channel had diminished YLE's audience share notably in the late 1980s (Hellman 1999, 209), the founding of the second commercial channel had much less of an effect from which YLE appears to have recovered quickly. The last years of the research period indicate that as YLE's share did not notably decrease, but that the competition was between the two commercial terrestrial channels, MTV3 having faced a steady decline since 1993.^{iv} This speaks for a similar standing of public service television as in some other European countries such as Denmark, Germany, Norway, Sweden and the UK that have faced commercialisation but where public broadcasters still gain notable ratings. (E.g., EAO 2005; Steemers 2003.)

Despite of the new market situation, no new regulation was applied regarding contents. Policy-making attending to the Finnish television market was most concerned with market-entry and let content regulation remain at a general level (Aslama et al. 2004b). The Act on the Finnish Broadcasting Company (1993) stipulated that it is to perform classic public service duties: to inform, educate and entertain, with 'a wide variety of information, opinions and debates on social issues, also for minorities and special groups'. Regulation on commercial broadcasters simply stated that when granting licenses the government should aim at 'promoting freedom of speech and increasing the diversity of programming' (Laki televisio- ja radiotoiminnasta, section 10).

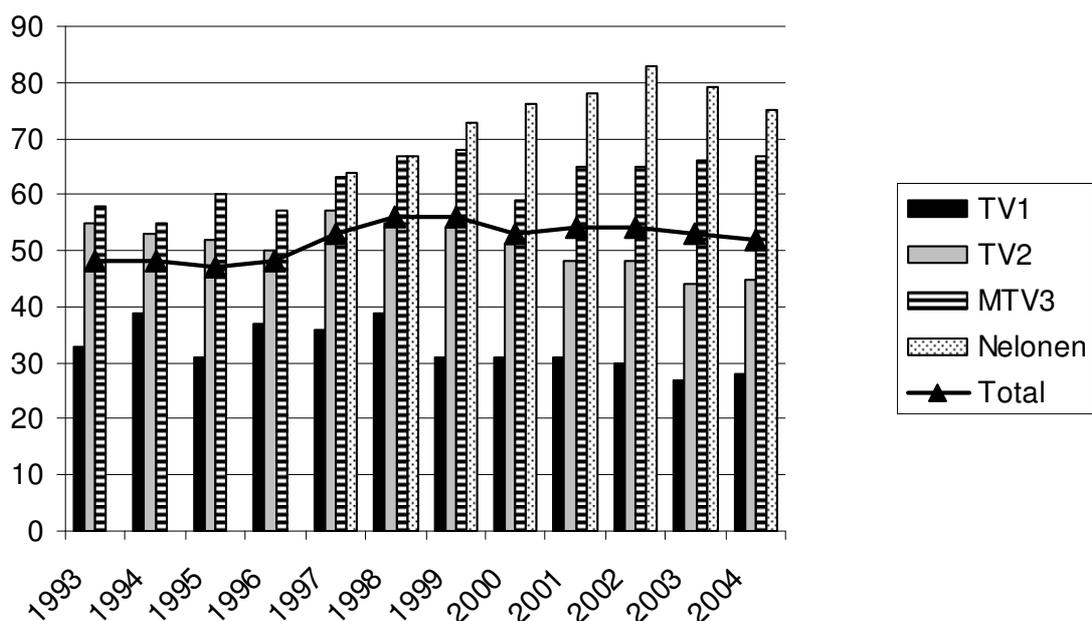
Measuring the Change: Different Dimensions

While competition increased but hardly any regulatory demands on contents were made, the Finnish channels could in theory have followed either the convergence or the diversification path in their programming. To discover which one of the claims would hold in the Finnish case, a three-dimensional examination on the supply 1993-2004 is conducted. The first dimension compares the programme type profiles of the total output and the four channels over time and looks at the origin of programmes, the second assesses the diversity of programming both system-wide and by channel, and the last one examines the relationships between the channels during the research period. The data for the examination have been acquired from five studies commissioned by the Finnish Ministry of Transport and Communications (Aslama & Karlsson 2001, 2002; Aslama & Wallenius 2003, 2004, 2005) and from Hellman's (1999) study on Finnish television 1988-96. The research material thus consists of a total of 72 sample weeks equalling more than 48,000 programmes of Finnish television 1993-2004.^v

First Dimension: Programme Profiles

An overall look at the programming profiles of the four channels (TV1 and TV2 of YLE, and the commercial MTV3 and Nelonen) does not support the idea of major convergence and trivialization. In terms of absolute programme hours, the change in the amount of entertainment in Finnish small screens may seem dramatic: in 1993, three channels together offered some 15 hours of entertainment-oriented programming per day; in 2004, the amount had doubled as the four nation-wide channels broadcasted altogether 30 hours of entertainment genres per day. However, as illustrated in the chart 2 that depicts the shares of entertainment-oriented programming in the research period, the expansion of entertainment-oriented programmes was noticeable, yet not drastic. The overall share of entertaining programmes has exceeded 50 percent of total supply since 1997, and its peak could be witnessed in 1998-99, directly after the birth of the second commercial channel Nelonen, but it has even declined slightly in the last years of the research period. In fact, as at 2004, forty percent of the total Finnish television output consisted of news, current affairs and factual as well as cultural, service and educational programmes – and the situation had been the same since 2001.

Chart 2. Share of entertainment-oriented programming (%)^{vi}, 1993-2004

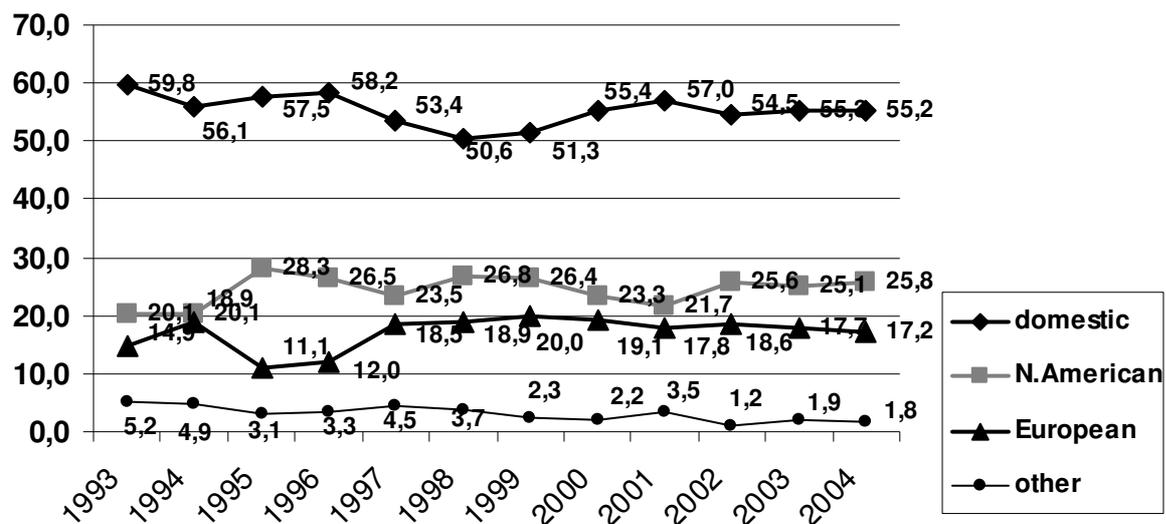


A look at the development by channel leads to suspect that the companionship of TV1, TV2 and the commercial predecessor of MTV3 had prepared those three channels, as no major adjustments were made in the first years of MTV3. Clearly, TV2 and MTV3 were the real rivals in 1993-1996, with a similar emphasis on both informative and entertaining supply. It was the start of Nelonen – a newcomer targeting younger and more urban audiences than its competitors – that first has resulted in some increase in the entertainment-oriented programming in all channels, notably in TV2 and MTV3 in the first year of the newcomer in 1997. From 1998 on, however, the tendency in the public service channels has clearly been that of the decrease of entertainment. They, in fact, offered notably more informational programming in 2004 than twelve years prior. Especially TV2 seems to have altered its profile: while the increase in informational programming has been modest, the decrease in entertainment-oriented programming was 10 percentage points from 1993 to 2004. Some of the development is due to the internal ‘channel commissions’ of YLE (Hujanen 2002) that promoted the division of labour between TV1 and TV2 regarding, for example, educational and children’s programming: the former genre was by 2004 broadcasted solely on TV1, the latter practically only in TV2. In contrast to the public service channels, the commercial MTV3 has after some fluctuations slightly but steadily decreased informational genres and increased entertainment-oriented programming since 2000. Interestingly, the latest entrant Nelonen was the channel that at first seems to have to followed a steep dumbing down course, but then has diminished entertainment-oriented supply somewhat in the last years of the research period.

It seems, then, that the Finnish television channels have created and maintained a division of labour in the factual– entertainment axis, in particular between the public service and commercial channels. Until Nelonen came to challenge the situation, the three channels were much more alike in this respect. Now TV1, always located in the most information-oriented end of the scale, has emphasized its position. TV2, too, has decreased entertainment-orientation. MTV3 and Nelonen have in the last years of the research period come closer to one another, the former increasing the latter decreasing entertainment programming – so that the overall situation has not changed dramatically since 2000.

As already noted, the specific sub-slogan of the dumbing down debate is ‘Americanization’: the claim that increasing competition for audiences and ever-growing transmission time that needs to be filled force television channels acquire more and more cheap American imports. In order to test this allegation, chart 3 depicts how the origin of programmes in total Finnish television output has developed in 1993-2004^{vii}.

Chart 3. Origin of programmes (%) of the system-wide supply, 1993-2004



Sources: Hellman, 1999; Aslama & Karlsson, 2001, 2002; Aslama & Wallenius, 2003, 2004, 2005

Despite of the growth of commercial broadcasting, it is apparent that American programming has not taken over the Finnish small screens. Similarly, it seems that domestic television programming has not been endangered by ‘Americanization’ but still forms a majority in the system-wide supply. The lowest share of Finnish programmes in the research period coincides, and surely not accidentally, with the second highest share of North American programming in 1998, when Nelonen had existed for one and a half years. Yet, the chart clearly shows that the situation varied and that Finnish programmes were granted again more airtime in the last years of the 1990s. A comparison with the late 1980s verifies that

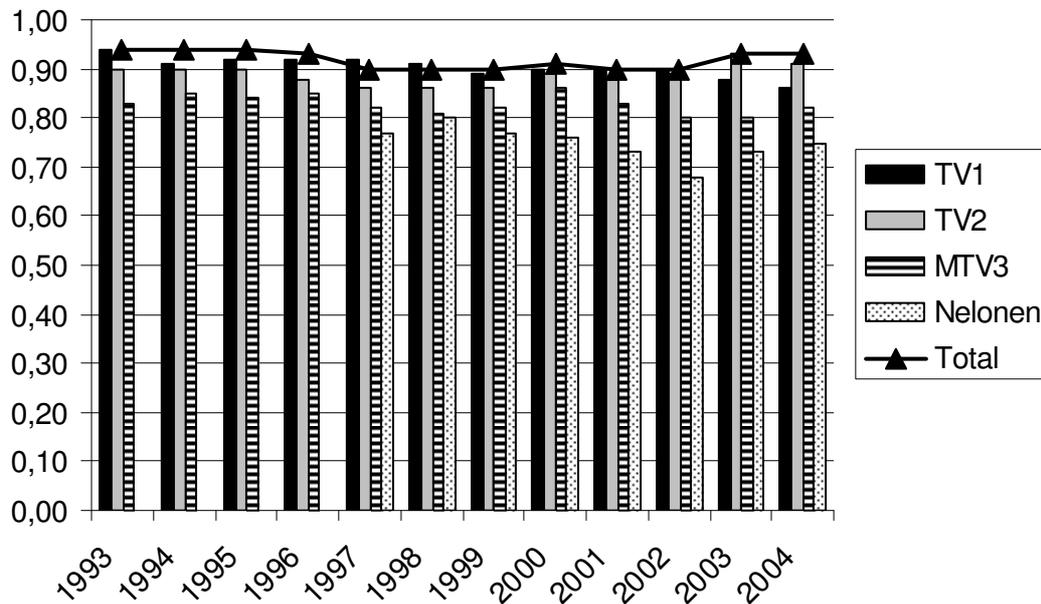
Americanization fears of the 1990s are unfounded: in 1988 the share of domestic and American programmes were very much like 15 years later, as Finnish productions comprised 51 percent, and American programmes 28 percent of overall output (Hellman 1999, 460). However, an interesting development seems to have begun parallel with Nelonen's broadcasting operations: The proportion of European programming increased when the fourth channel was established and has since remained approximately on the same level, with the share of little more than one sixth of the total supply.

Individual channel profiles reveal that the public service channels, then, have consistently prioritized domestic programming. YLE's output looks almost identical in this respect in 1993 and 2004, as in both years over 60 percent of its airtime was dedicated to Finnish programmes, some 23 percent to European productions, a little over ten percent to programmes from North America, and a few percentages for productions from other countries. Year 1997, most likely to counter Nelonen's entry to the market, increased the supply of North American and European productions somewhat in YLE's channels, with the cost of domestic programming. While the Finnish Broadcasting Company re-established its priorities of the origins of programming, the commercial broadcasters both followed the opposite trend and both decreased the share of domestic productions in their programming. Yet, this resulted in no Americanization: Although Nelonen did not alone increase the supply of European programmes in the Finnish small screens, it clearly was the primus motor of this tendency.

Second dimension: Diversity as Breadth of Programming

The programme profiles give an overview on whether or not television output is 'dumbing down', but do not explicitly reveal how evenly different programme categories are featured in the supply of a system or a channel. To examine diversity (or the lack of it) as what could be called the breadth of programming (Hellman 2001), the measurement of Relative Entropy Index (H) is applied here. The Index expresses how varied and balanced the programme output is on a channel, that is, vertically (channel diversity). When calculated as a summary measure of the overall programme output across channels, it serves as a horizontal measure (system diversity). The higher the figure, the higher the diversity to the viewer: The index varies between 0 (all programming in one category) to 1 (all programme types have an equal share in the supply).^{viii} Chart 4 features the indices for the breadth of programming in Finland during the research period overall and by channel. It illustrates that the diversity of Finnish nation-wide channels has been very high for those twelve years:

Chart 4. Diversity of all programming system-wide and by channel, 1993-2004



While the diversity of Finnish television system seems not to have suffered from increased competition, the chart shows that on average, both channels of YLE, as well as MTV3, performed with slightly higher diversity averages in the period prior to the entry of the second commercial channel. The downward dip in system diversity after 1997 suggests that increasing competition due to the new entrant caused the narrowing of the diversity of Finnish television supply. The fact that the overall system diversity suffered at that point more than diversity of individual channels is partly caused by Nelonen’s concentration on foreign fiction in its programme profile. Still, one can hardly speak of any significant impact that would have shifted the entire system towards ‘more of the same’.

As for different channels, different patterns can be observed. Despite of some fluctuations, the commercial MTV3 mostly maintained its status quo throughout the research period. The newcomer Nelonen seems to have decreased its diversity during the entire first six years of its operation – instead of challenging the established broadcasters with a wide range of choice. The financially difficult year for the commercial channels, 2002, can be seen in their diversity scores as that year, both MTV3 and Nelonen offered the narrowest programme supply in the history of their existence. However, by 2004 they had practically returned to scores they held before.

The public service channels proved to be the most diverse during the entire period but clearly altered their profiles in the last years. The diversity of TV1 had not fluctuated much between 1994-2002 but then decreased notably in the last years of the research period. TV2, then, provided a narrowed output

particularly in the first years of Nelonen, but since then broadened its supply and took the place of the most diverse channel of the system. Still, together YLE's offered more diverse programming than as individual channels – and as diverse programming as the entire channel system (Aslama & Wallenius 2005).

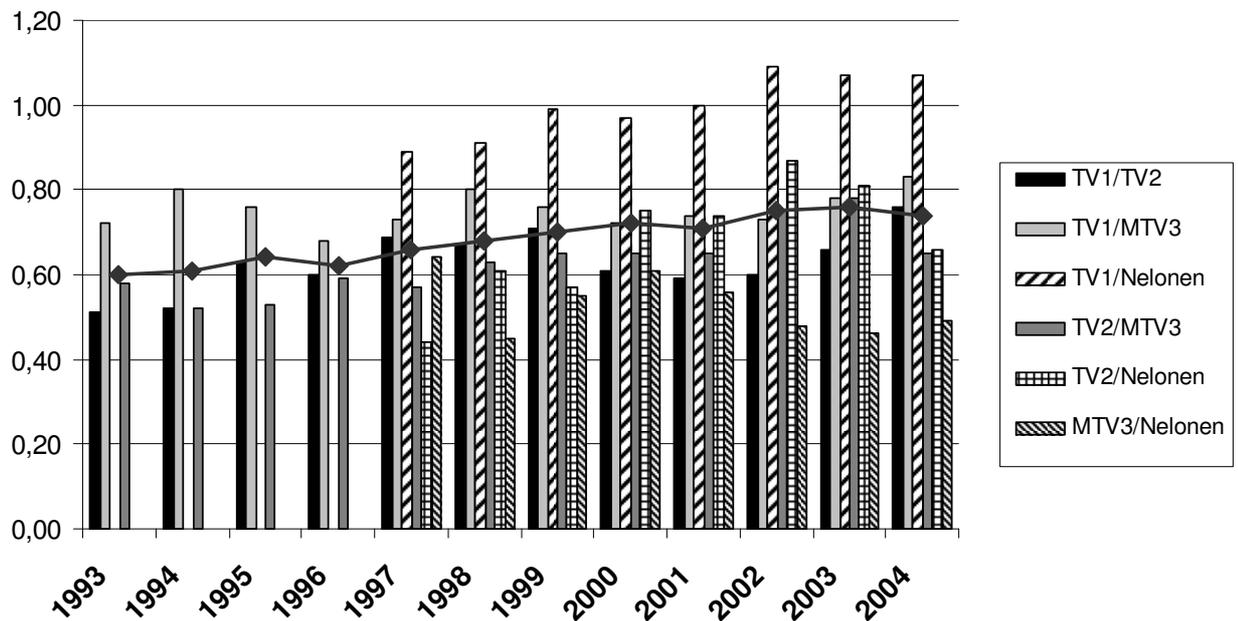
By and at large, the diversity scores system-wide and by channel suggest that the four nation-wide channels followed a full-service mission, despite of the tightening competition. The average system-diversity for the period was 0.92, higher than the average of any individual channel, thus indicating that the system as a whole offered audiences with a very varied and evenly distributed range of programme types. Although some fluctuation occurred during the research period, the system-wide diversity was almost as high in 2004 than in 1993. Nonetheless, the average system-wide diversity in 1993-96 amounted to 0.94 but the period of 1997-2004, in a lower score of 0.91. Again, both figures are higher than the averages of any individual channel for those periods, signifying that the channels complemented each other rather than fiercely competed with one another.

Third dimension: Dissimilarity of Channels

The third dimension of analysis that is applied to test the convergence contra diversification claims is the difference between the channels. It is calculated by the Dissimilarity Index (D), which indicates how much the content of one network, in terms of programme types represented in its schedule, deviates from the content of another (channel dissimilarity). By calculating the average dissimilarity per year, the index serves as a horizontal measure of difference across channels (system dissimilarity). The minimum value for this index is 0 (channels have exactly same kinds of programming profiles); while the maximum is 2 (channels utilize completely different programme types). (See, e.g., Aslama et al. 2004b) ^{ix}

Chart 5 portrays the dissimilarity indices for the years in 1993-2004 and clearly provides evidence to counter the claim according to which increased competition forces channels to converge. In fact, it seems that the entry of Nelonen encouraged differentiation between the channels rather than decreased differences in the programme structures of the four channels. The average dissimilarity across channels for 1993–1996 was 0.62, whereas for 1997–2004 the average score of the system dissimilarity index markedly higher, 0.72:

Chart 5. Dissimilarity between channels in 1993-2004



In one sense, it could be argued that some programming convergence has occurred in the Finnish television market, but that the trend concerns the commercial sector, as MTV3 and Nelonen show strongest likeness. Even if no clear tendency towards excessive sameness could be discerned, the relatively low dissimilarity between them is yet another indicator that the channels compete with relative similar kind of programming and have increasingly begun to do so in the last years of the research period. Before that, dissimilarity between them varied from year to year, suggesting that the two commercial channels were ‘testing’ with the right recipe to meet the rivalling challenge of each other.

YLE’s two channels were more alike in the beginning of the 1990s than over a decade later. They clearly differentiated their offerings particularly after the entry of the second commercial channel. The relationship between YLE’s channels and their commercial counterparts differ. For most of the research period, TV1 and MTV3 had remained ‘equally different’, but the trend to increase informative programming in TV1 took the two channels further apart in 2004 than ever before. TV2 and MTV3 were competing with fairly similar fares in the beginning of the 1990s, but since the birth of Nelonen they began to seek for differing programming strategies. Compared to TV1, TV2 resembled both MTV3 and Nelonen and this indicates that TV2 has a role as the public service ‘entertainment network’. Still, TV2 did not fully imitate its commercial competitors. The dissimilarity between YLE’s channels was highest in the first years of Nelonen, resulting largely from TV2’s increased entertainment orientation. Another period of differentiation between TV1 and TV2 can be observed from 2002 on,

but now due to clear informatization of the former. All in all, highest dissimilarity values were found between TV1 and Nelonen that seem to represent two distinctly different ends of a channel profile. The system-wide indices clearly suggest that commercialisation has increased differentiation and that no major convergence between the public and private sector has occurred.

The Diversity Challenge: From Two Claims to Three Scenarios

The Finnish case indicates that neither the Diversity Paradox nor the Diversification claims seem to apply to the case of Finland. As the Competition Intensity Index depicted, in Finland there still exists a 'moderate' competitive environment (also van der Wurff & van Cuilenburg 2001; van der Wurff 2005; Aslama et al. 2004b). This may be the reason why convergence or diversification do not manifest in extremes: While the second commercial channel managed to slightly raise the share on entertainment-oriented programming in the total supply, the effect was not significant.

Instead, the tendencies emerging are subtle and could be called programme profile differentiation and programme type concentration, with the adjective moderate accompanying them. The two are partly related. In the Finnish case, the four nation-wide analogue channels seem to try to tackle the competition together with the diversity challenge. While they each still provide full service, they have begun to create distinct profiles, often by concentrating on one or two programme categories – hence the high system-wide diversity, slightly down-ward trend of channel diversity and increasing diversification. This can be illustrated with the main programming domains of the four channels in 2004: Nelonen's profile consisted mostly of entertainment-oriented genres, the dominating programme type being foreign fiction. MTV3's fare was also entertainment-focused, yet its breakfast programmes balanced out its supply: they contributed to the one third of informational programming seen on the channel. TV2's programme profile was not clearly characterized by any single genre, but children's and sports programmes formed the largest programme categories with the share of some 15 percent each. TV1, being at the other end of the scale, allocated over one fifth of its programming time to current affairs and stood out with a significant share of educational programmes in its profile. Also, the so called programme choice options – that is, the average number of genres the viewers can choose from at any given time – during the prime time hours in the sample years of 1993, 1997 and 2004 point towards profile differentiation: In average, Finnish viewers could choose from three different programme types in four channels, and no aggressive 'counter programming' occurred in any of the sample years (Aslama, forthcoming).

The test case of Finnish programme supply in 1993-2004 suggests, then, that while the convergence and the differentiation claims are alive and well, they may not be sufficient in understanding changing markets and the position of public service television. Drawing on theorization and the few existing empirical analyses as well as on the Finnish data, table 1 suggests a more nuanced view on changing markets, changing programme output and the position of public service by outlining three distinct scenarios. The first one depicts the situation of growing entertainment-orientation as a trivialization hypothesis; the second one illustrates another kind of convergence that is here named full-service convergence; and the last one depicts the diversification as differentiation – as seems to have occurred for instance in Finland.

Table 1. Three scenarios on changing television markets and diversity

	Trivialization	Full-service convergence	Differentiation
Commercial programming strategy	more entertainment-orientation	more 'median', universal mix	specialization (entertainment)
PSB programming strategy	more entertainment-orientation	more 'median', universal mix	specialization (filling in the gaps)
View on audiences	audiences want entertainment; masses still exist	audiences' tastes vary; masses exist at least to a degree	fragmented audiences; it pays off to serve segments (commercial: with purchasing power; public service: also marginal)
Consequent market situation	competition, commercially led	competition, public service led	co-existence (commercial channels challenge PSB to specialize)
Consequent output	narrow	diverse	diverse

The first scenario of *trivialization* presumes that audience preferences are skewed very much towards the entertainment-end of the programme profiling. It then assumes that the commercial channels go for the audiences' preferences, but also that the public service broadcasting – with generalist channels that may emphasize informational programming – begins to strive beyond a 'median' programme mix towards more and more entertainment orientation. The scenario insinuates that public service enjoys clearly lower audience preference than the commercial counterparts – thus the dumbing down of programme supply in order to justify its existence 'by numbers'. Addressing the television markets in Belgium, DeBens (2000) talks about the spiral movement of commercialisation and frames it as convergence, but more specifically, it is the situation where the contents of public service and commercial broadcasting become more alike *in that* they become more entertainment-

oriented (so that the median, system-wide profile also shifts towards more entertainment). Defined in this way, a minor case of trivialization could be detected in Finland, too, but in the 1980s when new ideologies around television began to emerge and when MTV moved to provide programming in the third channel: From 1982 to 1992, both YLE and MTV clearly decreased their information-oriented programmes and increased entertainment programming (Hellman & Sauri 1994, 71). As noted, during the research period the birth of Nelonen also caused a transitory and moderate ‘dumbing down’ in all channels, but that could not count for a long-term tendency. Yet, this model seems to best describe the situation like in the U.S. where commercial television was the main mode of function of the market from the start. Many authors claim that despite the promise of commercial broadcasting in the beginning, the 1980 especially brought about a definitive shift to a new kind of programming. This is said to be greatly due to changes in ownership that transformed ‘quasi-public institutions’ to ‘commodities’, and this era then brought about the question of American television’s low quality (Baker & Dessart, 1998, xvi). In general, it seems as if this hypothesis is the fuel of the fear of ‘Americanisation’ (c.f., Ellis 2000, 53-54) and related discourses, rather than a real threat in the broad level of programming to most European dual systems.

The second scenario is here referred to as *full-service convergence*. In this model, the focus is not necessarily or only on the entertainment orientation, but rather on the development towards homogenous programme profiles. Also, the presumption seems to be that viewers’ preferences are homogenous but not geared only towards entertainment: rather, the largest audience shares could be expected with a mix of programmes. This model expects excessive sameness with increasing competition, as all the channels aim at the median, the highest point in the audience preference curve. So as in the trivialization scenario, also here high audience ratings count as the validation for the public service’s licence fees. The basic difference, then, is that the tendency is not essentially that of more entertainment, but that of sameness.

This scenario is distinct from the trivialization argument: If the full-service convergence model holds as depicted above, it sharpens up and sets certain standards for commercial channels to compete in areas where public service has had strong traditions, for instance with quality news programming. If the trivialization scenario dooms public service for failing its mission, in the context of convergence hypothesis, it may be claimed that the specific role of public service is outdated: the commercial companies may as well take care of informational programming since all the channels are providing more of the same. ‘Convergence as similarity’ could be interpreted having occurred in Finland in the early 1990s, after the ‘companions’ YLE and MTV turned to ‘competitors’ (Hellman 1999). As noted earlier, TV2 and MTV3 were alike during this period, and the latter also increased its informational output for a few years to match with its public service rival.

The third scenario of *differentiation* has already been suggested as the trend in the last years of this study's research period. The empirical evidence on Finnish television supply depicts growing distinctiveness system-wide, between YLE's and commercial channels as well as between the two public service channels. In media economic terms, this partly contradicts the convergence theory that builds a direct link between increasing competition and increasing convergence. Correlations between diversity, dissimilarity and competition intensity for 1993-2002, presented in Aslama et al. (2004b, 126) indicate that in the Finnish market there is a strong correlation between market competition and dissimilarity: The more competitive market, the greater the dissimilarity between channels. This, again, suggests for the 'concentration' on certain programme types, by certain channels.

Also, the analysis of Meier (2003) on the German situation in the past decades, based on an in-depth multi-dimensional case study on one of the public broadcasters, comes to the same conclusion: For multiple organizational, institutional and economic reasons, the scenario that here is called full-service convergence does not hold. Instead, Germans public service channels show remarkable distinctiveness. Based on Meier's (op cit.) thorough conceptualisation, analysis and critique of the convergence claim, on a broader European overview by van der Wurff (2005), as well as on the analysis on Finnish television 1993-2004 at hand, the scenario of differentiation can be summarized as follows: While commercial channels may try to target large audience shares (or specific viewer segments favoured by advertisers) with entertainment, public service broadcasters in particular search for their own "niche" that often is located more towards the informational end of the scale.

The differentiation model is not blind to the conditions of a dual system: It does not presuppose that the ratings count equally strongly for public broadcasters as they do for commercial channels, thus forcing them act similarly in the market. The embedded presupposition here is in fact quite different, and twofold: First, based on the common understanding on television audiences of today, the model takes into account that audience preferences are not homogenous but fragmented and varied; that, in fact, tendencies towards convergence may largely be imitation due to uncertainty of audiences' preferences (Meier 2003, 354). Second, a related understanding behind this model is that public service broadcasters have a certain history. In many European countries, they have built up a tradition of certain kind of informational programming and also audiences for it. As Meier (op cit.) claims regarding German situation, the information orientation may not only be a legitimacy issue for public broadcasters but also a market-driven strategy. Judging by its annual market shares (as depicted in chart 1) the differentiation strategy of YLE seems to have paid off the last years of the research period.

As Meier (op cit.) also points out, the differentiation scenario does not mean that other scenarios would be irrelevant. This can be seen also in the Finnish case. To be sure, each of the Finnish analogue channels still claims to be generalist and provide full-service, while differences seem to become more pronounced. Yet, the commercial sector, more vulnerable to market changes, seems to be trying out different strategies. Up until recently, it, too, seemed to specialize, MTV3 more in entertainment and Nelonen in foreign fiction, but now it seems that this division of labour is transforming into fiercer competition with similar programming. The 'entertainment channel' of YLE, TV2, has given up this battle and opted for sports.

Future Scenario: Digitalizing Diversity

Although the three models depict simplified, ideal situations, they still help to summarize the arguments embedded in the convergence and diversification claims. The above suggests that there is no danger of trivialization of Finnish television supply as a whole. However, the digital multi-channel era will bring different challenges. In Finland, the digital broadcasting began late 2001 with three new digital public service channels. At the end of 2004, 22 percent of Finnish households had digital accessory devices, and the entire television system will become digital in 2007. In addition to digital simulcasts of TV1 and TV2, YLE hosts the 24-hour news channel YLE24; the culture-education-science channel YLE Teema and FST-D. The digital commercial competitors in 2004 included Sub-TV with an entertainment-oriented profile targeted for young adults, as well as the sports channel Urheilukanava. As table 2 depicts, the new digital channels, with the exception of the Swedish-language FST-D channel, are highly specialized.

Table 2. Digital Channels, 2004

Multiplex	A	B	C
Channels	TV1-D simulcast of analogue full service	MTV3-D simulcast of analogue full service with extra programming	Urheilukanava (Sports channel) - also on cable
	TV2-D simulcast of analogue full service	MTV3+ (pay-TV)** supplement MTV3	CANAL+ (pay-TV)***
	YLE24 news and current affairs channel	Sub-TV entertainment-oriented channel for young adults - also on cable	CANAL+Film1 (pay-TV)***
	YLE Teema culture, science and education-oriented channel	Nelonen (Channel Four) simulcast of analogue full service with extra programming	CANAL+Film2 (pay-TV)***
	FST-D Swedish-language full service channel	Nelonen+ ** supplement Nelonen	CANAL+Sport (pay-TV)***
			The Voice (music videos)*** Digiviihde (adult entertainment, 1 hour/day)***

A Two-Dimensional Strategy

An overall look at the programming profiles of the four analogue channels (TV1 and TV2 of YLE, and the commercial MTV3 and Nelonen) and the five digital channels that have been in operation since 2001 (YLE24, YLE Teema and FST-D of YLE, and the commercial Sub-TV and Urheilukanava) reveals an interesting result (Aslama & Wallenius 2005): The five digital channels, of which four are thematically highly specialized, together provide a very similar output as the four analogue full-service channels. It is not surprising that the analogue full-service channels are relatively near the centre of the ‘information-entertainment axis’ since they reflect the generalist tradition. The digital channels, in contrast, exemplify the thematic, ‘fragmented’ approach: Public service channels position themselves as information providers and commercial channels offer mainly entertainment. The difference between the public service and the commercial sector is clearly greater within the digital than the analogue system.

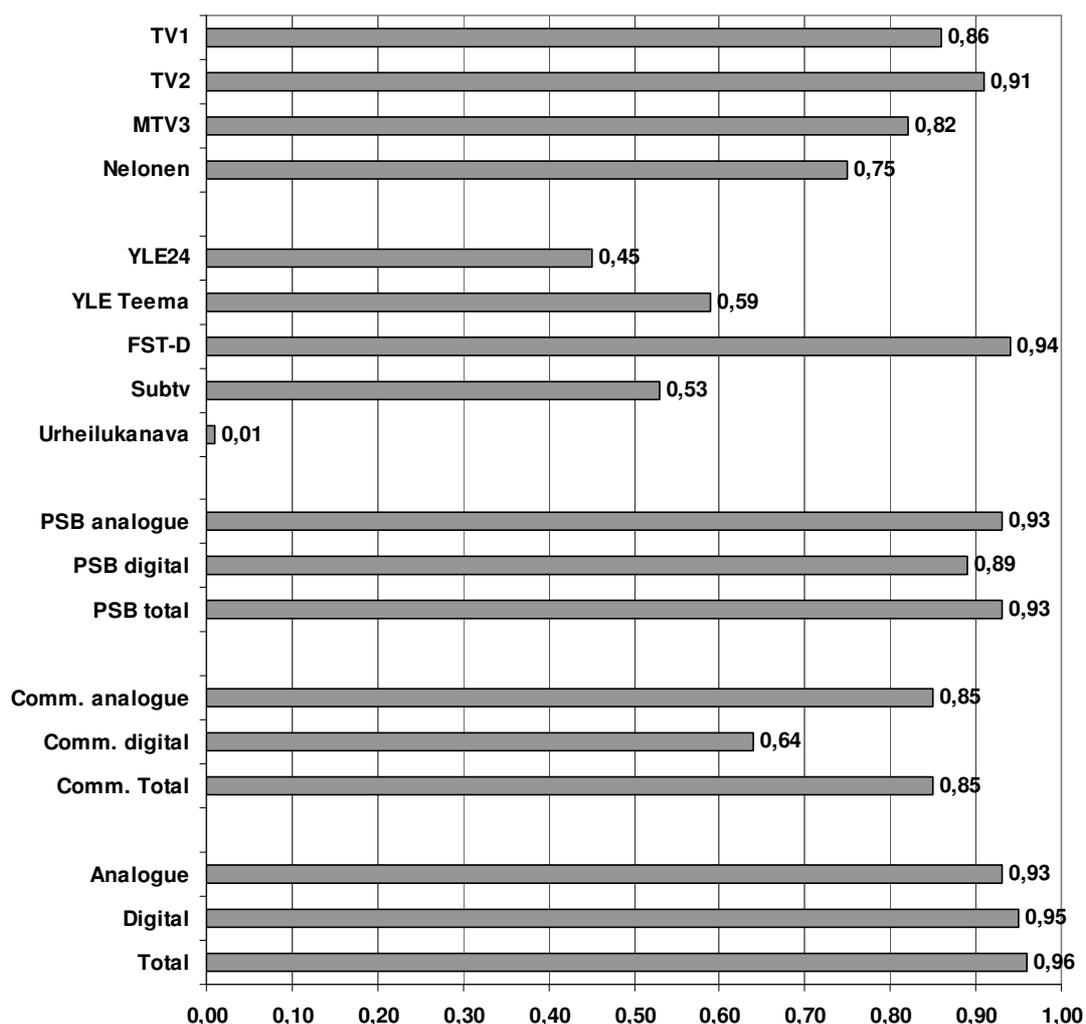
** As the supply of the extra services was marginal in 2004, it is not included in the analysis.

*** As the channels entered the market in mid 2004, they are not included in the analysis.

The distinction between analogue and digital channels will eventually vanish when the national switch-off of analogue television broadcasting takes place in 2007. Yet, interestingly, already in 2004, the profiles of the analogue channels catering to the majority of the Finnish viewers fit nicely together with the profiling of the new digital channels seen only by one fifth of Finns. Also, the digital system emphasises the clear position of public service YLE as the information provider. The only 'new' digital channel that could be called generalist is the public service FST-D that offers all the 13 programme types and features more 'even' programme profile than TV1 or TV2. In its generalist approach, it is still a specialized channel that serves to justify YLE's public service operations. A special case in the European context, FST-D caters full-service programming to the Swedish-language minority that forms some six percent of the Finnish population. The development since the first digital year 2002 indicates that all these characteristics of the multi-channel system have been evident since the start of the digital era, but that they have become slightly more pronounced year by year (c.f., Aslama & Wallenius 2003).

The channel and system-wide breadth of programming of analogue and digital channels in 2004, featured in chart 6, proves that the diversity as performed by the analogue-digital channel system could be assessed to be beneficial to the viewer. For the first time during the existence of digital broadcasting (2001–), the digital channels offered even more diverse programming together than their analogue counterparts together. The Swedish-language public service FST-D proved to be the most diverse of all channels, followed by the analogue public service channel TV2. Yet, the output of the analogue and digital channels together scored for a very high diversity (0.96). Thus, the combination of the analogue and digital system present to the viewers more varied programming than the systems separately.

Chart 6. Diversity of Finnish analogue and digital television supply, 2004



As further illustrated by the chart, the difference between the diversity provided by commercial and public service is apparent – in total, in analogue, as well as in digital supply. Admittedly, both YLE as well as its commercial counterparts demonstrate a degree of diversity that is well above average in comparison with the situation in many other countries (e.g., Ishikawa et al.1996; van der Wurff & van Cuilenburg 2001). Yet, YLE’s strategy to emphasise information-oriented programming, manifested in moderation by the analogue TV1, and emphasised with the digital YLE24 and YLE Teema, seems to be successful in two ways. First, it remains ‘inclusive’ enough to maintain a high diversity both in analogue and digital supply. Second, as at 2004, YLE’s full-service analogue and thematic digital channels are information-oriented enough to act as counter forces to the entertainment-led commercial channels so that the system-wide diversity remains very high. To summarize: What YLE seems to be engaging in is a *full-service meets differentiation* strategy.

The *differentiation* scenario and the role of public service in the future is still not a straight-forward matter and a good start with digital diversity does not necessarily define the future of Finnish public broadcasting. Although illustrated by the Finnish case, the dilemmas are European-wide. There has been a relative slow development towards a fully operating digital television in the beginning of the millennium, and this in its part prompted a debate on the role of the public service. In the Finnish case, no one dares to advocate what Jakubowicz's (2003) calls the 'Attrition Model', according to which digital development should be left entirely to the commercial sector; neither is the 'Distributed Public Service Model', a situation in which 'public service programming' would be commissioned by regulators from any broadcaster, a voiced possibility. However, the commercial analogue broadcasters, facing financial difficulties due to the decrease in advertising revenues, as well as to the necessary build up of digital infrastructure, have suggested a division of labour, something that Hujanen (2004) calls 'fragmented public service' and Jakubowicz (2003) the 'Monastery Model'. Here, the logic is that public service broadcasters would concentrate on kinds of programmes and other services that are not offered by their commercial counterparts. MTV3 and Nelonen have urged that YLE's remit should be less diverse in that that TV1 and TV2 should stay out of sports and entertainment programming.

In Finland, the new Communications Market Act (2002/2003) gives the commercial channels a financial break based on the need for digital progress. Simultaneously, new regulations for monitoring YLE's public service operations were set in place. The future may involve some suggestions of tightening, as opposed to lightening, of Finnish public service television supply. YLE may still have a substantial market share, but commercial competitors will multiply in the future. And when new digital commercial channels – most of them entertainment and fiction-oriented – will inevitably enter the Finnish market, YLE's generalist-but-information-oriented strategy alone may no longer be sufficient to correct the 'market failure'.

Therefore, understanding and monitoring the diversity challenge as possible scenarios of *trivialization*, *convergence with full service* and *differentiation* is a paramount task, not (solely) because a moralistic, value laden worry of trivialization of Finnish or European televisual programme culture, but in relation to the generalist traditions of broadcasting. As Ellis (2000, 176-77) has noted, the core aspect of broadcast television has historically been 'to provide a voluntary point of social cohesion, of being together while being apart', and this function has not diminished with the era of availability of just few channels and the dawning times of plenty of the digital multi-channel system. Ellis calls this 'working through' that is 'a collective process of making sense of the modern world that uses the linearity of the broadcast medium' and depends on universal availability of public broadcasting

services as ‘guardians of an open process through which social cohesion can be negotiated.’ This can be contrasted, in Ellis's view, with ‘most of the models of interactivity and choice [which] imply a lone consumer making choices in isolation’. Consequently, he concludes, in the era of plenty the public service broadcasting can no longer conceive itself as an institution imposing consensus; rather, it must work through new possibilities of consensus by exploring diversity.

It seems then that public service at least in Finland faces a three-dimensional challenge alone in the level of programming supply. First, the question is of *diversification system-wide*, so that the public service can balance out its commercial counterparts that just may compete with relatively similar programming, even if specialized. Second, as many have argued (e.g., Hujanen 2004), public service needs to secure a universal service at least within the *public service channel system*. If the universality principle is understood with all its dimensions (equal access, minority services, etc.), one of its more specific performance goals is the *diversity of programme content or supply*. In the dawn of possible and probable pay-tv services in the digital platform, diversification by YLE's channels so that they together secure free and diverse programming is surely essential. Lastly, the *diversity within a channel*, i.e., the traditional full-service principle, might be important if Ellis' (2000) claim is taken seriously: Fragmented multi-channel supply, no matter how diverse overall, may leave a lone consumer surfing in specialized channels. Any more qualitative outlook is likely to point out that the public service task ensuring programme type diversity (including public service alternatives also in entertaining genres) should entail offering choice in themes, topics, actors, formats, modes and viewpoints.

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ⁱ Prime examples are featured in the *A-talk* discussion program on TV1, 4.12.2002; and on the other hand, the Pro Audience, *Pro Yleisö*, civic moment established in 2002 to mainly address public service broadcasting. The latter calls among other things for safeguarding of quality domestic productions and treatment of viewers as citizens, not as consumers, see www.proyleiso.org.

ⁱⁱ “The sample of the peplemeter study consists of 900 households or a total of some 2000 people”, Sauri 2002c, 141.

ⁱⁱⁱ The Market competition intensity is here measured as in some recent Dutch studies (van der Wurff & van Cuilenburg 2001); i.e., it is calculated in the basis of a commonly used method for measuring market concentration, the Herfindahl-Hirschman Index (HHI) (see, e.g., van Cuilenburg 2000, McDonald & Dimmick 2003; see also Aslama et al. 2004). HHI is calculated by summing up the squares of the market shares of the broadcasters operating in the market (i.e., not by channel), as follows:

$$(1a) \text{ HHI} = \sum p_i^2$$

where p_i stands for the percentage of the market share. Van Cuilenburg (2004) gives guidelines for the interpretation of the index: the higher the HHI, the higher the level of supplier concentration on the market. He suggests an interpretation scale where the score up to .10 depicts an unconcentrated market, the scores equalling .10 up to .18 signify a moderately concentrated market, and equal or over .18 point towards a highly concentrated market.

Market competition intensity, which in this context could be defined as an antidote for market concentration, is accordingly calculated as follows:

$$(1b) \text{ CI} = 1 - \text{HHI}$$

Accordingly, the interpretation is also reversed: the higher the score, the more intense the competition. The above depicted formula has also been used in measuring diversity, for example of programme types, in which case it is often called Simpson’s D [Simpson’s $D = 1 - \sum p_i^2$] (McDonald & Dimmick 2003).

There is also the category of “other” that together includes other cable and satellite viewing. Here, the market shares are shares of viewing as yearly averages.

^{iv} In Finland, the prediction on the erosion of the position of (European) over-air broadcasters due to foreign satellite channels (see Blumler et al. 1986: 347; also Hellman 1999) never happened, and the share of the satellite and cable viewing remained small for the entire research period.

^v The data consist of 56 sample weeks in 1997-2004 (i.e., the weeks 5-7, 27-28 and 42-43 each year) and 16 sample weeks (6, 7, 42, 43) for the years 1993-96. The classification of program types includes the following 13 categories: news, current affairs, factual programs, cultural programs, service and hobby-oriented programs (i.e., so called personal interest programs), sports, domestic fiction, foreign fiction, movies, children’s programs, educational programs, entertainment, other programs.

^{vi} Based on the programme typology used in this study, entertainment-oriented programming is here defined as comprising from the following categories: domestic fiction, foreign fiction, feature films, and entertainment programmes.

^{viii} To calculate the index, one needs first to measure the absolute entropy H_{abs} of the programme output. This is done according to the following formula:

$$(a) \quad H_{\text{abs}} = \sum -p_i \log_2 p_i$$

where p_i stands for the percentage devoted to each programme category. Absolute entropy is also called Shannon’s H: it is the one of the most well known and used of the diversity measures, as it is derived from information theories and has been used in communication studies (as well as in some other fields) since the 1950s (McDonald & Dimmick 2003, 68). It equals Simpson’s D, but involves logarithmic transformation: the closer the maximum score, the more difficult it becomes to increase the value of the score. McDonald & Dimmick (op cit.), having tested 13 diversity measurements, recommend the Relative Entropy Index, as it is sensitive, for instance, to changes in number of categories.

Relative entropy H is then obtained by dividing the value of H_{abs} with the maximum value possible ($H_{\text{max}} = \log_2 N$), where N is the number of programme categories used:

$$(b) \quad H = \frac{H_{\text{abs}}}{H_{\text{max}} = \log_2 N}$$

Relative entropy H varies between 0 and 1, with 0 expressing minimum diversity (all content in one category) and 1 expressing maximum diversity (all categories equally large).

The measure has been used in similar studies as this one, by, e.g., Ishikawa et al. (1996), Hillve et al. (1997), van der Wurff and van Cuilenburg (2001), and Hellman (1999, 2001).

^{ix} The Dissimilarity Index is derived by subtracting the percentage of time p per programme category i by one broadcaster A (p_{iA}) from the corresponding figure by another (p_{iB}) and summing up the differences:

$$D = \sum |p_{iA} - p_{iB}|$$

The higher the sum of differences, the higher the dissimilarity between the channels and, vice versa, the lower the dissimilarity index score, the more homogenous the output. In calculating the index, it plays no role whether the result of subtraction is positive or negative; only the extent of deviation matters. This index has earlier been used, e.g., by Hellman & Sauri (1994), with the name Deviation Index, in examining Finnish television programming in the 1980s and early 1990s.