

The Well-Organized Competition

On the Development of Internal Competition in the Swedish Television Monopoly

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Like other public service companies, Sveriges Television (SVT) currently finds itself in a highly competitive situation. However, competition is not entirely foreign to Swedish public service television. At an early stage, a system of internal competition was established in the public television monopoly, which from a Scandinavian perspective, imparted a unique character to the development of Swedish television.

The objective in combining competition and monopoly was to appropriate the “positive” effects of competition (direct rivalry in producing quality programs and the offering of program choices) without acquiring “negative” effects in its train (advertising and the pursuit of audience ratings). For the program company, which until 1978 was known as Sveriges Radio (SR), the introduction of the system meant that it now had at its disposal a doubling of broadcast volume and two competing channels with identical program policy responsibilities. As a result, the company was able to experiment with competition under laboratory-like conditions within the monopoly framework. It sought to achieve the best results through careful planning and meticulous supervision and evaluation of every detail in the new system. This quest imbued the project with the characteristic Swedish “spirit” of the period.

The basis of this article is a retrospective examination of Swedish television, when satellites and outside competition were far removed, and it closes by linking to the current situation. The article treats the issue of internal competition from a policy perspective and the standpoint of the audience. In addition it analyzes the content and aesthetic dimensions concerning program production

and scheduling. The aim is to illuminate the experiences that developed from the two channel system and the consequences they bore for Swedish public service television. It focuses on both the purely practical problems and the more principal conflicts that arose between the overall program policy goals and the viewers’ preferences.

The Political Context

In the 1960s the viewers’ freedom of choice was the principal issue of debate concerning Swedish television. This was due to several factors. One factor was the existence of strong interests urging the establishment of commercial television in Sweden at that time, especially business interests and advertisers. When Sweden was allotted extra space on the UHF frequency band, spokesmen for commercial television argued that it would be natural to use this space to establish a free and commercially financed television channel. Their main argument was that the audience would be served better with a system based on competition. They found two main dangers associated with the television monopoly system. Without competition there was no incentive for those responsible for programs to pursue excellence. There was a risk that they would take the easy road and rely on old, well-proven program formats. Moreover, they could remain oblivious to criticism or dissatisfaction and thereby risked ignoring the viewers wishes.

However, with the Social Democrats in control of government, there was no political will to relinquish the principal of non-commercial television. Yet they did take notice of the intensive debate and criticism directed at the monopoly form, and they

stressed there was a strong need for vitalizing program work. They acknowledged that the current system could develop certain negative results as described by critics. With two channels at its disposal and a new organization based on internal competition, program production could become more extensive and varied, and the viewers' freedom of choice could be expanded.¹

With the explicit goal of increasing freedom of choice, Parliament decided in 1966 that a two channel system for television would be introduced by the beginning of 1970.² The channels would have identical programming assignments and compete with each other. This was not a question of establishing a "narrow" and a "broad" channel, as in Britain with BBC1 and BBC2.³ On the contrary, it was important that competition between channels took place under as similar conditions as possible.

With two channels, the volume of television broadcasts increased greatly and automatically gave the viewers an expanded freedom of choice. However, the parliamentary decision emphasized that this freedom of choice would be real only if the increased broadcast volume was also matched with greater variation in program scheduling. For that reason some form of collaboration between the two channels was required. Without coordination there was a risk that the two channels would focus on popular programs, which could lead to partiality and diminished quality. Hence, it was stated that the scheduling of program time slots would be coordinated according to a so-called contrast principle. Similar programs would not be broadcast at the same time on both channels; instead the viewers would have the opportunity to choose between two different program formats at any specific time. It was hoped that this system would lead to changes not only in program schedules but also in the audience's viewing habits. The point of this competitive strategy was not to maximize audience viewing as in the case of external competition. Instead, the idea was to adjust the "surplus" or "shortage" of viewers associated with different program formats (entertainment and fiction in relation to factual programs) so that television viewing would become more varied and more "targeted". The new system was supposed to function not only as a means for providing viewers greater freedom of choice, but also as a contribution to achieving certain program policy goals.⁴

As a result of this decision, SR set up a special coordinating organ whose task was to balance program schedules on the two competing channels. A contrast model for program scheduling was imple-

mented based on policy directives, where factual programs (news, reporting, documentaries, politics) were assigned time slots opposite entertainment and fiction programs.

The Viewers

SR initiated a comprehensive audience survey activity as part of the establishment of the two channel system. Systematic and regular audience surveys became a necessary adjunct to a system that planned and coordinated two channels within the same company. The division for audience surveys grew rapidly and soon became an independent division within the company, answering directly to the Managing Director for SR.⁵

After nearly a year of the new system, the audience survey statistics revealed results that upset both politicians and company management. They revealed that viewers used their new freedom of choice to watch primarily entertainment and fiction programs at the expense of factual programs. If a factual program was broadcast concurrently with an entertainment program the latter would attract a substantially larger share of the viewer base. The so-called "surplus" of viewers watching entertainment programs increased as the two channel system developed.⁶

This phenomenon was called the "slalom effect" and resulted in massive complaints at SR. The audience statistics were interpreted both internally and outside SR as the result of a deliberate pursuit for audience ratings and commercialization. SR was accused of consciously sabotaging serious programming. According to the indignant critics, the channel that broadcast entertainment was destroying the other channel's information; and the channel that placed its information program in a time slot opposite the neighboring channel's entertainment program was accused of being irresponsible for its information programming.

To remedy this situation, SR quickly drafted a defensive philosophy that sought to protect newscasts from competition with popular programs in the neighboring channel. This was monitored closely by audience surveys. However, these showed that newscasts actually maintained themselves very well in competition and were "threatened" only by a few entertainment successes. The surveys also revealed that program times had a great influence on audience size. Unsuitable broadcast time slots were in actuality more decisive for viewer statistics than competition. But it was discovered that the programs that needed "protection from competition"

were the other factual programs, especially those dealing with society, politics and culture.⁷

Thus in 1974 SR attempted to devise another model for coordination. The contrast model obviously did not deliver the desired results. Instead SR tried to create a system where certain program formats would be protected (news, factual programs, children's programs, and in-house productions) while the various program formats would be placed in different broadcast time slots on different days. The governing principle now focused on the coordination of specific individual programs rather than program formats. Nonetheless, after all modifications had been made to the coordination model, the audience surveys again came up with unexpected results. The various solutions with a defensive philosophy and a new coordination model had been implemented to influence the viewers to watch more factual programs and less entertainment and fiction. These had achieved only marginal effects in practice. The longer newscasts received a slightly larger audience share. But the audience for cultural and social programs continued to shrink. It became obvious that viewers assigned higher priority to certain programs than SR and that in practice they had chosen a different program profile than that for which the channels had been established.

An early evaluation of the situation maintained that this was a symptom of "system error". The problem was unavoidable since the new system "forced the audience to choose".⁸ The critics in the public debate were harsh and argued that SR was not only responsible for program production but also for program consumption. It was primarily in this sense that SR was accused of irresponsibility and commercialization.

SR management was troubled about the consequences of this massive criticism; at the same time their dilemma was obvious. If SR tried to satisfy critics by producing more factual programs and fewer entertainment programs, or by systematically removing a large portion of entertainment programs from prime time, this would obviously conflict with the viewers' desires. The risk was that people would either choose not to watch television at all or reduce their viewing radically.

Events show that SR attempted at first to adapt programming to mollify the upset critics. They tried different program scheduling strategies, with "easy" and "tough" competition, with the aim of strengthening factual programming. They also increased production of factual programs by nearly 100%, whereby they comprised at most a 22% share of broadcast time. Entertainment program-

ming also increased, but its share of broadcast time declined from 10% to 7%.⁹

Mixed Programs

Despite the various attempts at fixing the "problem", audience viewing patterns changed only marginally. A more accessible route developed in practice with the introduction of new program formats where the boundary between information and entertainment became ambiguous.

So-called mixed programs became the most notable intrusion into the program schedule in connection with the two channel system. Mixed programs, which were just a mix of information and entertainment – infotainment – comprised more than 10% of the total viewing time. They captured between 25% to 30% of total audience viewing time on the days these programs were broadcast and the most popular mixed programs achieved viewing figures of 30% – 40%.¹⁰

This type of program was not an entirely new phenomena in Swedish television, and it had a history that extended back to the early days of television.¹¹ During the one channel era, it had predecessors in such programs as *Hemma med Ria* (At Home with Ria), *Timmen* (One Hour) and *Storforum* (Main Forum). What was new was the regular and daily broadcast. They were now sent on specific days at specific times; they were broadcast live, and they were categorized as an independent program format. Examples of this new mixed program format were *Halvsju* (Six-thirty), *Sveriges Magasin* (Swedish Magazine), *Ikväll* (Tonight) and later editions of *Storforum* (Main Forum) and *Kvällsöppet* (Night-Open).

The "new" mixed programs were strategically created for scheduling independently of what program format was broadcast in the neighboring channel. The program *Halvsju* (Six-Thirty), one of the most successful programs in SR's history, was started mainly as an attempt to find a program format that could be broadcast in the same time slot as news and children's programs while complying with coordination rules. Since it transcended the holy boundary between information and entertainment, it could not be conclusively demonstrated that the rules were being broken.

The critics in the ensuing public debate were brutal; they maintained that the *Halvsju* program was consciously created to drive out serious programming. Mixed programs in general were received with harsh criticism and accused of trivialization and commercialization, destroying quality

standards and representing a one-sided pursuit of audience ratings. The openly folksy tone of the programs, the mix of entertainment and facts and the programs personal and emotional aspects were regarded as acts of treachery and sabotage. The critics claimed that serious debates in Swedish television began to resemble “Polish parliaments”; that television betrayed social debate and presented it as “a spectacle”; and that the manner in which it did present facts and serious material functioned as an alibi for SR to avoid taking its social responsibilities seriously. The actual presence of various issues in these mixed programs meant they would not be treated in other programs. Since the programs anticipated the issues, these could be subsequently precluded as program subjects in other contexts; or a program proposal could be rejected because the issue had been previously treated in a mixed program. The critics maintained that information and analysis in the mixed programs were situated in such a trivial context that they became neutralized and “distorted”.¹²

But mixed programs were actually just the opposite to a certain extent. That is, they “conformed to reality” in their ambition to increase the viewers interest for factual and information programs. The common element in mixed programs was the presentation of information and selected issues in a way that the viewers could identify with them. They tried to achieve this through the program leader’s monologue and his “dialogue” with the audience, and by situating reporting and debates in everyday environments with reference to the man on the street. The programs differed in their specific choice of events in the political and social spectrum but they shared the element of situating current social debates in a socially-oriented context. The subjects and issues presented were the viewers’ “property”. In addition the programs featured song, music, and entertainment in varying degrees, which were considered necessary for the programs to be “palatable” to the public. The various program features were also consciously formed with the idea that the viewers could come and leave the program without experiencing a break in content. The entertainment features had a dual role in this aspect, serving as a natural pause for those who must attend to something in the middle of a program, and as a means of attracting people to the program. They were designed to meet the viewers’ needs in the early evening hours, a time characterized by meal preparation, child care, etc. in addition to watching television.

The generally high audience ratings for mixed programs was not only an expression of their alleged disregard for quality in information, as the critics maintained, but they were also a sign that the programs with their “canvassing activity” reached people who otherwise would have not chosen the information from the regular program schedule. According to critics, this program form consisted of a “myriad of features” that did not allow viewers to create a meaningful pattern even of the subjects and issues that were treated quite frequently. Yet, at the same time it was obviously a form well-suited to people’s everyday lives and their multitude of responsibilities, interests and needs.

The “new” mixed program was a strategic program format, created to evade the coordination rules and adapted to the audience’s criteria. It was also a program format that exploited the television medium’s most effective mode: dramatic and emotional tensions were created to capture the viewers’ interest and involvement. SR drew the consequences of the increasing disinterest for factual and information programs as documented by audience surveys. They found it necessary to “snap the circus whip” when broadcasting information and to create programs on the premise that people lived in a “cultural mixed economy” where television viewing could not be taken for granted.

Conclusions

A significant outcome of the two channel system and internal competition was that SR gained access to extensive empirical knowledge of the viewers’ television habits through the regular audience surveys that had been institutionalized in connection with the reform. SR learned what viewers watched and prioritized. In addition they gained concrete experience of the importance of program scheduling for audience ratings. They also gained the valuable experience that they could not “steer” viewers from entertainment programs to factual programs by coordinating program format schedules in a particular manner. They were unable to achieve this result even through a parallel increase in the production of factual programs.

The experiences also revealed the importance of softening the sharp dichotomy between factual and entertainment programs on which the public service authorization was based. Mixed programs played a key roll. By transcending the limits between information and entertainment, it was principally important in resolving the program policy conflict

between “serving society” and “serving the audience”. Mixed programs also had a more strategic and practical importance by functioning as a program form that could avoid rules and resolve conflicts that were inherent in the new television system.

A further significant outcome of the establishment of the two channel system was that it led to the consolidation of the Swedish television monopoly. Once the first panic reactions in the public debate had subsided, the pressure on SR and its monopoly form also subsided. The threat from strong commercial interests had been averted and Swedish public service channels had become stronger from the experience.

The last, and perhaps the most important result, can be glimpsed in today’s competitive situation. By experimenting with competition under the protective shield of monopoly, SVT gained knowledge and insights that made it possible for it to appreciate the situation when *true* competition became a

fact. In the present situation, the two channel system has strengthened SVT’s competitiveness while also providing better conditions for delivering a satisfactory public service activity. With two channels at its disposal, SVT has automatically a large exposure range that gives the company an advantage over the competition. Viewed from a public service perspective, the two channel system imparted a position of strength to SVT. By virtue of its double broadcast volume, it can practice flexible program scheduling and more easily satisfy both demands for variety and for the broadcast of special interest programs without coming into conflict with competitive mechanisms.

In closing, we can say that history has played a larger role in the present situation than immediately meets the eye. The system that had been originally introduced to preserve the television monopoly also provided valuable experience and structural advantages for the situation following the dissolution of monopoly.

Notes

1. see SOU 1965:20.
2. Prop. 1966:136.
3. cf. Curran and Seaton, 1988.
4. see SOU 1965:20; Prop. 1966:136.
5. cf. Abrahamsson, 1990
6. Audience statistics, reported within SR: PUB (Department for audience surveys) 1970, 1971.
7. see Sveriges Radio’s evaluation *Tvåkanalsystemet i TV. KANUT*, 1975.
8. SR: *Annual Report* 1971, s, 18
9. For the period 1965-1975. Program statistics published in *The Swedish Radio och Television Schedules 1925 – 1995*. Foundation for Broadcast Media in Sweden, 1996.
10. Audience statistics reported in Sveriges Radio’s evaluation *Tvåkanalsystemet i TV. KANUT*, 1975.
11. cf. Kerr, 1990.
12. From op-ed pieces in three major Swedish daily newspapers: *Dagens Nyheter*, *Aftonbladet* and *Expressen*, as cited in SR: *Annual report* 1971, 1973; and SR: *Tvåkanalsystemet i TV. KANUT* 1975.

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