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## **European media revolution – viability through innovation**

Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort

Keynote address at the Media Lounge event of ACT, EGTA, WFA, AER, ENPA, EPC, FAEP

**Brussels, 30th June 2010, European Parliament**

Tonight I want to do two things – look at some of the specific issues faced by parts of the media sector. For example, advertising. But I want to place those issues firmly in the wider context of the Digital Agenda for Europe and the challenges digital transformation creates for all of you.

The Digital Agenda for Europe arises out of the urgent need for Europe to lift its productivity growth and the possibilities that digital technologies provide for addressing many of our social challenges.

The premise of the Agenda is that only a comprehensive strategy for maximising the potential of ICTs will have a real impact. ICTs are shaping our quality of life, how we do business, how we consume, and how we fill our days. They are also changing the power balance between countries, communication platforms and generations.

The relevant pattern for you is that to be a successful company or content creator in the 21st century means to make good use of digital innovations, or indeed to create those digital innovations.

What does that mean specifically for broadcasting, radio, print and online media? Well, I think we each still have questions and answers – it's work in progress.

But I think that none can afford to be passive in the face of the challenges of digital transformation - whether policy-maker, or publisher or producer of content.

Having said that let me be clear that I bring a few certain principles to debates about the future of media regulation and innovation.

1. **I will always defend media pluralism.** It has a vital role in our democracy; it is an anchor of European values. This does not mean that I think state subsidy or regulatory intervention are the only or the best ways to defend pluralism, although they may have a role to play. But it does mean that I believe in the continuing evolution of the dual system (of public service and commercial broadcasters) and that I consider pluralism as a non-negotiable principle.
2. **I do not have favourite technologies or companies;** for me the idea of public versus private is a false choice - we need both. Quality content and a level playing field are also crucial. When we have all these things that is when consumers have the chance to exercise real choices.
3. **Europe should not become a media museum.** My goal is to play a role in making digital transformations as painless as possible. This is also a very exciting time and my goal is to get Every European Digital. Helping you to transform helps me to get Every European Digital.
4. **Bring me specific requests and I will give you specific answers.** You need to be specific.

As a firm believer in practising what I preach – so let me now move to specific policy points.

## **Media policy**

### **Press / online news**

I believe in a rich, diverse and quality press. Clearly the digital challenge is so great here that simply waiting and seeing will not do. But that cuts both ways. While people are used to paying for content, and are sometimes simply not willing to pay, there are enough examples to show that given the right, distinctive, quality content they may pay.

While I can't solve that content challenge for you, I am eager to hear about whether we can assist in getting outlets ready to offer that better content.

In essence I am saying that few people expect the public to get all their news from blogs. There is a valuable role for trusted mediators then. However, customers are obviously no longer as locked-in as they used to be. That makes winning a place in their hearts and minds and wallets much harder.

I'm not a journalist, but I have been a businesswoman. The days of double digit returns from a traditional business model are over, and print journalism needs to find new ways to balance the books.

## **AVMS policies**

### **Broadcasting**

Broadcasting may have been less affected by advertising trends, but that may not be a good thing in the long term. As a regulated market, strongly influenced by public management of spectrum resources in particular,, European free-to-air television has clearly been insulated from the wake-up call the press is now going through.

There have been basic responses to advertising fragmentation – for example, the growth in reality programming that has lowered costs and reached new audiences. But the real storm may yet be coming. I wonder what is being done to stabilise the boat?

How are you diversifying your revenues? Are there new pay TV business models you can tap into, to give one example? What print and online platforms can you monetise to support your programming?

Are you ready for new business opportunities that may come your way? To give one example, online distribution of audiovisual works, which currently lies outside the scope of the Satellite and Cable Directive. Is change required in this field? This could be an issue for discussion in the context of the extensive stakeholder dialogue and the forthcoming Green Paper addressing the opportunities and challenges of online distribution of audiovisual works and other creative content planned in the Digital Agenda for Europe. That point brings me to regulation more generally.

### **Regulation**

A view I often hear is that the AVMS Directive is encouraging Member States to regulate free-to-air television. I will monitor closely whether Member States are going beyond the levels specified by the Directive, and whether this is justified under the principle of proportionality.

Having said that, if you want to minimise your national regulatory burden, I would say that you need to look at your choice of platforms.

Linear services – television-like services – are more regulated because of their impact on society and the limited degree of choice and control of users. On-demand services, on the other hand, are subject to a much lighter regulation. It is not for me to design your business model, and there are certainly valid reasons to choose one or the other but regulation lies only where it is required..

## **Advertising**

On advertising – which I think you wanted me to speak about tonight – I would say that the regulatory burden has clearly been reduced by the AMVS directive.

5. The new advertising rules , without a daily limit to the amount of advertising on broadcast TV, give you more flexibility on advertising ceilings. Product placement, with appropriate information of users, also offers new opportunities in a situation where traditional spot advertising is losing some of its attractiveness.
6. The Commission will also be revising its interpretative Communication on new advertising techniques in due course. In the meantime, I encourage you to test new technology which gives traditional spot advertising the possibility to become much more granular and better targeted, for example to particular localities, without invading the privacy of individual viewers.
7. By encouraging Member States and industry to develop self-and co-regulatory regimes, the Directive also promotes responsible advertising. Get this right and we can avoid further advertising restrictions.
8. More broadly – and by that I mean, including the press – I will carefully examine any proposal for further advertising restrictions. There would have to be clear public policy benefits outweighing the costs..

## **Conclusions**

I understand the temptation to avoid disruptive change. But as Winston Churchill once remarked – you should walk hand in hand with change lest it grab you by the throat.

As you grapple with that challenge, let me assure you I do not want to make that transition harder. But at the end of the day you must know that my job is to promote pluralism in general, not one platform or one group of players in particular.

I said Europe must never become a media museum, and I mean that. Picasso's Cubist masterpiece Les Femmes d'Alger (O.J.) was published exactly one hundred years ago. He left his Rose period and embraced the future. I hope you do the same.