

Jaana Pasonen

**BROADCAST TV BRANDS FACING DIGITAL
TRANSFORMATION**
Case Study of MTV

Faculty of Information Technology and Communication Sciences

Master Thesis

May 2019

Supervisor: Hannu Saarijärvi

ABSTRACT

Jaana Pasonen: Broadcast TV Brands Facing Digital Transformation - Case Study of MTV
Master's Thesis
Tampere University
International Master's Programme in Media Management
May 2019

During the past decade, television as a medium has gone through a massive process of digitalization. The transformation process has resulted in broadcasters re-examining their value chains including business models, content production and distribution to its relationship with the audience. As the business is evolving, arises the need to update and analyze the current brand strategies as part of the digital transformation process. Consequently, the purpose of this research was to explore and analyze the evolving role of the channel brand in consumer's content choice. The purpose was addressed through two research questions. First, what kind of influence do the channel brands today have to consumers associations of content? Second, how does the role of the brand differ between linear tv channels and digital online services?

To address the research purpose, two relevant theoretical literature streams are addressed. First, previous literature on media transformation and second, literature on two models of brand building and marketing; the consumer-based brand equity model and the house of brands vs. branded house – model for brand portfolio analysis. The method used for the research was a case study, which was conducted in cooperation with MTV in Finland. The case study consisted of four interviews of MTV managers, as well as a consumer survey.

The interviews characterize not only the changes in MTV's value chain and strategy, but also argue why the research topic is relevant. The shift from traditional channels to digital platforms is accelerating, and the content and channels will be affected also in the future. The key findings of the survey indicate, that the channel brand does influence the consumers' perception of promoted content. The overall interest towards the content is influenced most. Strong brands with high brand equity can increase the overall interest of the content. Results also showed variance in how the audience sees the content in terms of given attributes. As previous brand research has proven, brands influenced to aspects of quality and relevance.

Regarding the trend of the transformation and future development, the differences between the roles of the linear and digital channels were analyzed with differences in results. There are some indications that the role of a channel might be evolving, when tv consumption moves to digital platforms, that serve more as libraries than on a scheduled broadcast basis. The linear brands influenced the consumers' opinion more than the digital brands.

When reflecting on brand portfolio theories, some findings on survey results indicate, that branding the portfolio around the original core brand (MTV3 in the tested case), might add value to the portfolio. Having multiple brands with different levels of brand equity can hold risk in terms of cost and consumers' attention.

The findings support the recent research and literature on audience fragmentation and the power shift from the brand to the consumer. The study recommends further research on the topic, especially on the evolving role of the channel brand, when moving content viewing to digital platforms. Results would help media managers to evaluate, structure and prioritize their brand portfolio in a competed and complex media environment.

Keywords: Television, digital transformation, digitalization, brand strategy, channel brand

The originality of this thesis has been checked using the Turnitin OriginalityCheck service.

Table of Contents

1	INTRODUCTION.....	5
1.1	EVOLUTION OF MEDIA TRANSFORMATION.....	5
1.2	PURPOSE OF THE RESEARCH.....	8
1.3	STRUCTURE OF THE THESIS.....	8
1.4	KEY CONCEPTS.....	10
2	DIGITAL TRANSFORMATION IN BROADCAST MEDIA.....	12
2.1	DRIVERS OF CHANGE.....	14
2.1.1	<i>Technological Advancements</i>	15
2.1.2	<i>Globalization</i>	17
2.1.3	<i>Media Policy and Regulation</i>	19
2.2	CHANGES IN AUDIENCE BEHAVIOUR AND RELATIONSHIP.....	21
2.2.1	<i>Audience Fragmentation</i>	21
2.2.2	<i>The Attention Economy</i>	23
2.2.3	<i>The Social Audience</i>	24
2.3	THE CONSEQUENCES OF DIGITAL TRANSFORMATION.....	25
3	BROADCAST BRAND EVOLUTION IN DIGITAL TRANSFORMATION.....	26
3.1	BRANDS AND BRANDING IN ACADEMIC LITERATURE.....	26
3.2	ROLE OF BRANDS IN MEDIA.....	26
3.2.1	<i>History of Branding Television</i>	29
3.2.2	<i>Programme Brands, Channel Brands and Corporate Brands</i>	31
3.3	DIMENSIONS OF BRAND RESEARCH.....	32
3.3.1	<i>Brand Portfolio Strategies - Branded House vs. House of Brands</i>	33
3.3.2	<i>Consumer-based Approach to Marketing</i>	35
3.3.3	<i>Customer-based Brand Equity</i>	36
3.3.4	<i>Measuring Customer-based Brand Equity</i>	37
4	RESEARCH METHODOLOGY.....	38
4.1	CASE STUDY AS A RESEARCH METHOD.....	38
4.2	CASE STUDY AT MTV.....	38
4.2.1	<i>Company History and Phases of Transformation</i>	39
4.2.2	<i>Competition in the Finnish Media Market</i>	41
4.2.3	<i>MTV's Brand Strategy and Portfolio</i>	41

4.2.4	<i>Data Generation</i>	45
4.2.5	<i>Data Analysis</i>	46
5	FINDINGS	47
5.1	MEDIA TRANSFORMATION EFFECTS ON MTV	47
5.1.1	<i>Technological Development in Finland</i>	47
5.1.2	<i>Globalisation from MTV's Perspective</i>	48
5.1.3	<i>Media Policy & Regulation Regarding the Finnish Market</i>	50
5.1.4	<i>The Finnish Audience</i>	51
5.1.5	<i>MTV's Brand Portfolio Under Construction</i>	53
5.2	CONSUMER SURVEY HIGHLIGHTS DIFFERENCES BETWEEN MTV BRANDS.....	55
5.3	THE CHANNEL BRAND INFLUENCES CONSUMERS INTEREST IN CONTENT	56
5.4	HABITS AND CHANNEL FAVOURITES AS PART OF CONSUMERS' CHOICE PROCESS	59
5.5	CHANNEL BRAND IMAGE INFLUENCES CONSUMERS' CONTENT ASSOCIATIONS.....	60
6	CONCLUSIONS	64
6.1	LIMITATIONS	67
6.2	POSSIBLE FUTURE RESEARCH.....	68
	REFERENCES	69

1 INTRODUCTION

1.1 Evolution of Media Transformation

Media industry has been in the middle of a turbulence for several years. Technological development, global economy and evolving consumer trends have challenged the broadcasting industry towards a constant change process. The process, often called “Digital transformation” is a term, that is used in several different situations explaining the digitalization of many industries and the changes that it has caused in the company’s value chain.

One of the first media’s that were highly affected by the digitalisation was the printed press. As online media started gaining people’s attention and news consumption, the traditional print media started losing subscriptions and advertisers to online products. Not only it put the publishers in front of technological challenges, but the whole business model and value chain had to be re-thought. Printed press has found several ways of tackling the challenge, but there are still no definitive answers on how to fix the profitability issues in print media in the new situation, the winning formula remains to be seen. As an example, in Finland the advertising expenditure in printed press declines on a significant yearly pace (Kantar, 2018).

For electronic media, such as radio and television, the shift first created more possibilities than negative challenges. Digital distribution enabled more channels with commercial possibilities with relatively small investments. The advertising levels didn’t radically drop until the 2008 financial crisis and even after that, on global level most of the broadcasters have been fairly profitable. The pay-tv market kept growing until recent years as well.

Regarding the digital transformation as a global phenomenon, the digital television and the rise of multichannel environment was the first phase of a longer transition period. Just as the industry adapted and broadcasters adjusted their strategies into having multiple channels and brands, the next changes were already emerging with the rise of social media and Internet. Today consumers have an endless selection of options how to spend their time, and the competition between media houses has exploded. Television is now competing with all other media outlets, YouTube, blogs and social media from every minute of people’s free time. Linear free-to-air television in total is still on high levels in terms of viewing. Most of the content is watched live when it is broadcast, but the market has completely fragmented, and especially the young audiences are watching less and less traditional

television. In addition, time shifted viewing has grown, and as the biggest driver for the moment, VOD services are growing rapidly. (Finnpanel, 2019.) In this paper term “VOD -service” (video on demand), is a term used to describe a platform or a service that is offered online. Netflix, Hulu, HBO Nordic, Ruutu and mtv -service are typical examples of current VOD platforms.

Consumers want to watch their favourite programmes when they want, regardless of device or time. This means that the viewing fragments to different outlets, channels and devices. The broadcaster in this situation needs to adapt to the consumer needs and offer the content on multiple platforms, which causes both technical and programming rights costs. Also marketing communication becomes more complicated and often expensive. (Küng et al, 2008, 9-12, 17-19.)

When the amount of content offered to consumers is big, the value of exclusivity rises. In order to have exclusive content the broadcaster’s need to acquire broader programming rights than before, which gets more and more difficult and expensive, since the rights owners today are able to monetize all different distribution channels separately, from DVD sales, to broadcasting, online streaming services and merchandise. Global sports rights are a good example of content which value per territory has exploded in the past years (Adgate, 2018).

Since the international content is often not exclusively offered in one outlet, its consumption also fragment’s and the business model becomes complicated. Even the biggest US TV series have radically lost their audience in traditional television, while grown their significance in streaming services, like Netflix. As a consequence, investments in local content are increasing in most territories, especially in the case country Finland. Local programming, however, is higher in costs than the international content rights that built most TV schedules in the previous years.

Globalization has also brought international broadcasters to local markets. Global giants who can operate with a broad content portfolio on a small market with low costs in content investments are able to challenge the advertising market by low prices. For traditional local broadcasters this gives an extra challenge. Same applied to VOD -platforms. Just recently many Hollywood studios announced their entrance to the global VOD market with their own portfolio, that they previously licenced to others, either Netflix or traditional broadcasters (Whitten, 2019). This again is a challenge for local broadcasters, it will be either very expensive, or impossible, to acquire the best US content for channels or VOD platforms.

When looking at the healthiness of broadcasting television, the previously listed changes have created massive profitability issues for TV broadcasting in Finland and Europe. The cost of reaching the

consumer is higher every year and requires a complete structural change in terms of content distribution and rights management. As the Broadcasting business is based on advertising income and the Advertising market has barely grown at all in the recent years (Kantar, 2019), the profitability in Broadcasting television has been poor in the recent years (Argillander & Martikainen, 2014).

In order to succeed in the new era, has branding also become more and more important for TV broadcasters. To succeed, the companies need to stand out and be recognizable to the audience. Having a strong brand is a valuable asset, when competing for audiences. In reality a broadcaster today can have many channels and a VOD platform, all with different brand names. They are not only competing with other linear TV channels anymore. Global streaming and VOD- operators such as Netflix, HBO and other service providers have come to the same market. This can lead to brand restructuring, as has already been done in some markets. TV4 in Sweden recently announced restructuring of the TV4 brand portfolio:

“We want to continue to gather Sweden around our TV experiences. In order to succeed with this in the future, it is important to clarify and harmonize our brands. With the strength of TV4 as the starting point, we have now created a clearer recognition throughout our TV4 world, says Emma Frisk, Head of Marketing, in a comment” (Frick, 2018).

MTV in Finland re-branded its VOD platform after the corporation brand MTV in 2018 as well (MTV, 2019).

It has been argued that as a consequence of digital transformation, the channel brands won't have a similar significance in the future, when the audience selects each programme they want to watch, rather than following the content flow of a linear transmission. Heavy investments and strategic thinking have been put in branding the channels in the past two decades and many broadcasters use the channels brand as a key element in launching content. When moving from linear broadcast television to global competition of streaming services, the whole brand portfolio strategy and the meaningfulness of TV channel brands needs to be thoroughly analysed, especially from the point of view of the consumer.

The research will be done as a case study of a Finnish commercial broadcaster, MTV. MTV was chosen as a case, because it is the oldest and biggest commercial TV broadcaster in Finland, and it has been through all the phases of digital transformation described before. The effects can be clearly seen when looking into the company operations and results in the past years.

1.2 Purpose of the Research

According to Chan-Olmsted (2005), media management and literature hasn't fully explored the subject of technology in the change period and it remains a topic of future research (Chan-Olmsted, 2005, 8.) The purpose of this research is to explore and analyse the evolving role of the channel brand in consumer's content choice. The purpose is addressed through two research questions:

1. How does the channel brand influence the consumers conception of content?
2. How does the role of the brand differ between linear tv channels and digital online services?

These questions will give tools to further analyse the current brand portfolios the broadcaster have and to evaluate if the portfolio supports to upcoming transformation process.

The author personally works as a Channel Director at MTV. The 12-year work history with this company and its brands has given an overall understanding and vision on the situation. The author has personally seen the different phases of the transformation process as well as been part of the operative management of the heavily pressured business, which can be an advantage when putting different aspects together.

1.3 Structure of the Thesis

The thesis gives an overview of the digital transformation in media, especially broadcasting television, and how the transformation has been described by the academics in previous literature. It also introduces the key drivers to the change and secondly, what kind of consequences has the transformation had in broadcasters' business in various different ways. Consumers evolving role and relationship to content is also addressed.

Media branding as a discipline is introduced on the second chapter: What has been its role in the past and how has it been researched by scholars. It also takes into account how branding is relevant to the broadcasting industry and looks at previous literature and research on media branding.

The literature review leads the viewer to the analysis of broadcasters' operational environment in the middle of transformation, connected to brand strategies. A theoretical framework is built in order to synthesize these two factors. It includes the digital transformation factors and two branding concepts: the concept of "branded house and the house of brands" (Calkins, 2005) and the theory of customer-based brand equity (Heding et al., 2008).

To further investigate the research phenomena more in practice, the theoretical framework will be applied in a case study. Case study Company - MTV is the biggest commercial broadcaster in Finland. It is a typical, traditional television company, that has gone through several massive changes and challenges since the digital television launch in 2007. The case company is in the middle of a transition process also during the case research, as it is developing two different VOD Services, while still maintaining the linear market leader position in the commercial television sector. The goal of the case study from MTV's point of view is also to give insight whether the current brand portfolio supports the evolving consumer behaviour and gives the best possible competitive advantage in a highly competed market.

The theories and concepts on digital transformation and its effects on competitive strategy in media has mostly been built relying on North American and Central European situation. Our case study will analyse whether the same hypothesis applies in Scandinavian territories, where the markets are not similarly built, and consumer behaviour somewhat differs to the Americans.

After introducing the company as a whole, the second section gives an overview of how MTV has executed the transformation and analyses how the company is currently shifting its strategy according to the next consumer taste, technological development and the profitability challenges. A set of interviews with MTV directors was taken place in order to evaluate the transformation. Third, will MTV's current brand portfolio be introduced. In order to finding answers to the research questions, to understand consumer attitudes towards the brands and the VOD services, a consumer survey was executed.

The case study will lead us back to the theoretical framework, where the findings of the case study will be reflected with the framework. Following the tradition on case study research method, the analysis concludes in implications to managers and suggests further research topics on subject.

1.4 Key Concepts

There are a few concepts that play a key role in addressing the research purpose. The following terms and concepts are often used when discussing the digital transformation and branding. They also bring preciseness to the conversation around the research topic.

In this thesis the term “Digital transformation” describes the process of digitalization in general, its changes to the media companies’ business model and the rise of online media consumption. The effects can be seen in all parts of media firms value chain from acquisitions, sales to marketing and distribution.

In this paper the term “brand” refers to a product, that has a name, term, sign, design, or a unifying combination of them intended to identify and distinguish the product or service from its competitors (McDowell, 2006, 17). In other words, a brand is a set of associations linked to a name, mark or a symbol associated with a product or service. A brand is also much like a reputation, a product becomes a brand only when people link it to other things, a product without associations is simply a name. (Calkins, 2005, 1.) Brands are built on peoples’ perceptions, they can be positive and negative, depending on how people view the product and its qualities. As an example, people often associate high quality, exclusivity and a high price with premium brands, while a discount product or a name is more easily associated with lower quality and price. (Calkins, 2005, 2.) Brands can also reflect certain values and lifestyles. A “brand name” in media can be a program, a channel or even a whole network. The differences between these levels will be examined further in the paper.

To understand the process of brand creation, management and strategy, a few key terms will be used also. “Branding” is the process of building and defining the core elements of a brand in order to distinguish it from its category competitors. The intent of branding is to make the brand name something unique, memorable, and valuable in the minds of consumers. (Mc. Dowell, 2006, 18.) Positioning the brand in relation to other products in the market is a vital part of the branding process as well.

“Brand Extensions” are new products with an already established brand name, an attempt to leverage a brand’s equity to other products bearing the same brand name (Keller, 1993). Strong media brands today have extended their brands into restaurants, merchandise products, theme parks, magazines and many others. Another type of extension, and probably more common in broadcasting, is called “Sub-

brand”, where the name of the corporation is combined with a new brand name. In this case the existing, original brand is called “parent brand”. Most cable networks and big broadcasters use this strategy to grow their number of channels without having to brand all in a unique way. (Keller, 2003, 577). Discovery Networks as one of the most valuable media brands has sub brands, such as Discovery Life and Discovery Family, which all benefit from the Discovery brand, but are still positioned differently (Discovery Networks, 2015).

Brand extensions bring us to the concepts of “brand portfolio” and “brand portfolio strategy”. Brand portfolio is a set of brands that a firm offers to consumers, either in a product category or in the overall market. (Chan-Olmsted, 2006, 65.) Brand portfolio strategy explains how a company will use its brands to drive growth. It gives guidance on whether the company has the right number of brands, if the company should add or get rid of some brands, and how to prioritize them. (Calkins, 2005, 105.)

2 DIGITAL TRANSFORMATION IN BROADCAST MEDIA

The broadcasting industry has gone from having few big television networks that dominated the whole industry, into a fragmented market, where consumers have nearly an unlimited amount of options between different media outlets, independent of time or device. The arrival of digital television started an extensive transformation period, which has influenced the whole industry and its economic structure. As Silvia Chan-Olmsted writes in “Competitive Strategy for Media Firms: Strategic and Brand Management in Changing Media Markets”, the broadcasters are facing a landscape that demands more of a narrowcasting approach. Today they need to appeal to more and more specific audience groups and communicate with them in order to satisfy their needs and to build a strong relationship. They also need to brand, package and deliver the content in a completely different way. The increased amount of options for consumers has led also to more targeted advertising possibilities and new business models for new, smaller market entrees. For any media organization it will be a necessity to re-examine the company strategy in the context of the new changing market. (Chan-Olmsted, 2006, 5.)

In the recent years especially the industry media has forecasted problems for traditional broadcasters. The talks of the “death of television” have been popular in many industry seminars, debates and columns (Ganos, 2011). Many were waiting for the extinction of the old dinosaurs, and many still are (Day, 2018). However, until now most of the broadcasters have been able to change their course and keep on track of the changing media landscape. Television viewing is still on a high level in most territories, but no one argues that the transformation has only just begun, and the traditional television will be facing more challenges. For the moment, arrival of new media outlets and new competition has just made the market more complex and also the big networks have to now put effort in being noticed in order to lure audiences to their products. Many have also restructured their business models, some have added new technologies and product categories, many have also partnered with others to survive. (McDowell, 2005, 6.)

In order to be able to examine the media brands and their future in broadcasting, all these market influencing aspects need to be considered. In the next chapter will the changes of digital transformation be examined through different perspectives described in the Model 1 below.

The base for the model is an analysis by Sylvia M. Chan Olmsted (2006, 8-10), who lists the key drivers in media markets as the technological changes, globalization and the changing audience. Today also several regulatory changes have been made, which have caused changes in the broadcasters' strategy and their business models. That is added in the model by the author. These driving forces have caused new distribution channels, many financial changes from increased programming rights expenses to pay per view- models and many other changes in broadcasters' operations.

The fragmenting audiences and changes in media consumption have also had a dramatic influence in advertising expenditures and sales. Online advertising has already surpassed television in many territories, also the pricing in television advertising has gone under strong pressure due to the multiplied number of channels and excessive supply of audience options for advertisers. The change process and its each factor in the Model 1 influences finally on broadcaster's brand portfolio and brand strategy, which all connects again with the audience and the relationship with the broadcaster and its viewers.

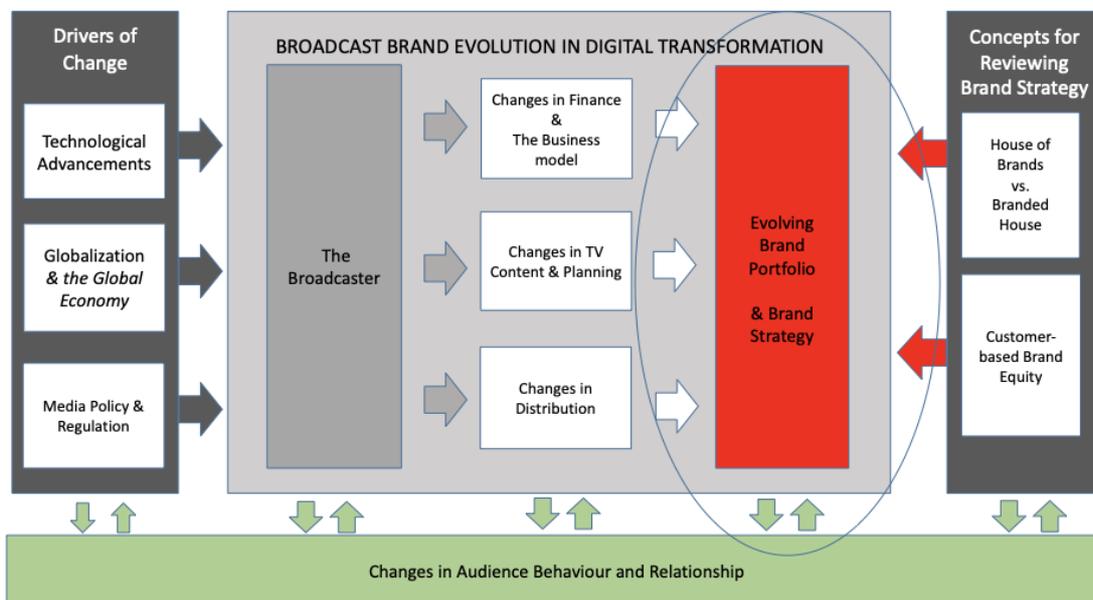


Figure 1. Broadcast brand evolution in digital transformation (by the author)

As can be seen in Figure 1, the theoretical framework for this thesis represents the elements and value chain changes caused by the digital transformation in broadcast television and connects the evolving organisation to two selected brand concepts in order to evaluate the broadcasters branding setup and future strategy.

The main drivers for the digital transformation, outside the media organizations, are the technological advancements, globalization and global economy and the changes in media policy and regulation. In addition, the changing needs and behaviour of the audience is a key driver for change. On the other hand, the technological advancements also influence the consumers' habits and needs, therefore the arrows connecting the change drivers and the consumers are directed both ways.

These outside pressures have pushed the broadcasters to digital transformation and the consequences are many. The transformation has influenced to the whole financial base and the business models of the broadcasters, as well as the whole content production process and the content itself. It has also affected in costs and revenues in several other parts of the value chain. The technological change and the digitalization have dramatically changed the television distribution.

The third part of the framework is the Brand Portfolio (coloured red), which is affected by all the previously listed change factors of transformation. The brands and the brand portfolios are examined in this thesis through two branding concepts, the customer-based brand equity (Heding et. al, 2008, 92) and the theory on brand portfolios, where different brands are built as either a House of brands or a branded house structure (Calkins, 2005, 111).

The continuous change in audience behaviour and the broadcasters' relationship with its audience is visualized as a green factor on the bottom of the framework. It resonates both ways to each factor of the framework. All aspects of the framework topics will be opened more in detail in the following chapters.

2.1 Drivers of Change

As often happens with structural industry changes, the change hasn't only started from the industry itself. It has been also driven from outside the media, primarily due to developing technology and as a result, the changing behaviour and needs of the media audiences. Globalization and the global economy have also highly affected the media industry, which has forced the industry to change. It

can be argued, that these same drivers will continue to influence the industry also in the future and therefore when analysing the industry future, the key drivers should be well recognized.

2.1.1 Technological Advancements

The digital technology has revolutionized the traditional media. Due to the digital technology TV broadcasters were first able to launch more channels, with a relatively small extra cost, since the digital signal takes less capacity than analogue transmissions. The benefits of moving from analogue to digital are plenty, especially on the distribution part of broadcasting value chain. The consumers benefitted from the growing number of channels and content as well.

The digital television process started first with satellite television services, then cable networks and as latest to terrestrial networks. The level of digital television development has differed in different territories; North Europe was one of the pioneers to switch completely to digital. By today majority of markets has gone the process through. (Henten & Tadayoni. 2008, 56.)

When looking at consumer products and broadcaster business models, has internet technology probably been the most significant change driver. It has enabled an unlimited amount of information and video content and democratized the access to content. Internet first came to computers and laptops but having smart phones and wireless internet on mobile devices like iPads, have dramatically changed the daily video consumption. For example, in 2018 an average household has apx. 5 screens to watch video content (MTV/ Finnpanel, 2018). According to some industry estimates, already 80% of internet traffic is video (Sealy, 2018). The rise of social media has changed the way we communicate and follow the daily news and media. These technologies have developed completely new businesses and revolutionized traditional ones. Many consumer businesses from travel agencies to retail sales have gone through a radical change process due to e-commerce. Same process can be seen in media.

New technologies have given consumers more control to choose, they are not depending from a linear TV schedule anymore. Why wait for a TV show to be aired, when you can watch it from your phone on the way to work or watch the whole season in a weekend if you prefer. New devices with digital signals and with better audio- visual quality have more channels and content options, as well as interactive and on demand possibilities. Therefore, the arrival of digital recorders and on demand functionalities can be even seen as the starting point for the transformation of audience habits from

traditional, linear lean back - consumption to more active, “lean forward” - type of consumption. Not only are the consumers now free of timetables, they are also free of location; television can today be found from any smartphone, tablet or a computer. The viewing experience is not tied to the living room or time anymore, and secondly, the consumers are free to choose whatever they wish to consume. This has made space to new services, like Netflix, and forced the broadcasters to re-think their business models and strategists to predict death for the old giants. (Tweedie, 2014.)

This shift hasn't only influenced consumers, it also changed the advertising market. The advertisers today have more options in video advertising than before and the online video is expected to grow rapidly also in the upcoming years (Dreier, 2017). This has an effect on the competition between media houses over the advertising budgets.

In addition to the possibility to watch programs disregarding time or place, the new technology has also enabled skipping advertising, which has had an influence on advertisers (Chan-Olmsted, 2005, 77-788 & 204). New digital technologies have also enabled different forms of advertising and made media planning more complex.

The global online video growth is not only giving traditional broadcaster a challenge in terms of technology and products they offer, but also in terms of pricing for advertising. The costs of advertising in Social media and online video platforms like YouTube are often cheaper than traditional television. A lot of today's media agencies core business is to evaluate the best marketing and media mix for their client. TV no longer is automatically the answer for big campaigns (ASync Labs, 2019).

Due to technological development and digitalization also the production of audio-visual content has become easier, less expensive and more common also by consumers. This has affected in the trend of user generated content, which is another significant trend in media. Together with the rise of social media, people today want to produce their own video material, which has been the idea also behind YouTube, the global phenomena of the past decade.

Another technological aspect to broadcast television is the consumer influencing the broadcast. “Second screen application” is generally considered a functionality on a mobile device to play along in a game show, to vote a person out of a reality series or any activity that connects the viewer to the program.

When looking at a traditional broadcaster that is facing these technological phases, it is obvious how they are forced to invest heavily in digital platform development both in terms of infrastructure as well as the capabilities of personnel. The advertising market requires investments on digital products ad sales as well. Possible second screen functionalities in programming might be needed in addition.

2.1.2 Globalization

Today's media is truly a global business, and a strong driver for change in the environment is the growing global economic, political and cultural inter-dependency. The industry is moving from a national to a global commercial-media market. In the process it is creating global media conglomerates, such as Time-Warner and Sony. (Chan-Olmsted, 2005, 9.) This can be seen in most markets from Asia to Europe and North-America.

The success of Hollywood and the series production of the major studios has spread the content all over the world for decades already and the American drama series and feature films are a core part of many broadcasters today. Like in all contemporary culture from music and fashion to television series, the phenomena are global and having content that has internationally a good track record, has brought broadcasters both more predictability and cost effectiveness. For a long time, buying programming rights for international content was much more economic than producing local content. This, however, has meant that the broadcasters are affected by the global economy and the financial situation of the American film and television producers. Also, currency changes and other outside factors can now make a notable change in a broadcaster's profitability.

After the arrival of digital television, the number of broadcasters per market have grown remarkably. In Finland, the country of this case study, the number of nationally distributed free-to-air channels went from four to almost twenty in only a few years. As a sign of the globalization of the industry, international conglomerates are entering new markets also as broadcasters: In Finland, Fox International Channels are now operating three channels and Discovery Networks are operating four. As also MTV is owned by a Swedish media giant Bonnier, most of the commercial broadcasters today in Finland are foreign-owned companies.

The global media conglomerates are also using mergers and acquisitions as a way to expand globally and to add profit. The recent Disney & Fox merge is a good example of this development (Lowry, 2019). Not only the broadcasters and content owners are merging, but more and more also

broadcasters and teleoperators (later as “Telco’s). The biggest development of this type is the AT&T/Time Warner deal in the US (Fast Company, 2017). Owning more of, or the whole value chain and IP, is an asset in today’s complex media environment. It also gives a direct access to the consumer, which the broadcasters didn’t have before. The globalisation effects appear all over the TV market, not only among broadcasters and radio stations, but also among production companies.

In addition to the multiplied competition in the broadcasting television, the arrival of VOD-Services, the services to stream television content online, is another example of new, global competition. Netflix, originally a U.S. based online video rental service has quickly grown into a global giant with a multi-billion-dollar revenues and over 50 million subscribers. Netflix entered Finland only in 2012 and it has fast grown into a significant media operator in Finland (Heyman, 2015). Similar services are also today offered by HBO, Amazon and many other global enterprises.

The increased competition results in increase in program rights costs, exclusive content is more valuable than ever. Big, global VOD Service providers are able to monetize on their large content portfolios in multiple territories. For local competitors it is almost impossible to try to compete on content offering that large. Therefore, concentrating in local content has been the choice for many local streaming services. The most watched programs in the Finnish Streaming services, Yle Areena, Katsomo and Ruutu, are all domestic productions (Finnpanel, 2018).

Another sign of globalization of the market is the growing amount of alliances. To make sure that they are players in the growing global online market, many broadcasters have formed alliances and partnered with companies operating in the new digital territory, like NBC with Microsoft, CBS with Oracle and ABC with Compaq (Chan-Olmsted, 2006, 87).

The global economy affects broadcasters also in terms of advertising expenditures. Many of the biggest advertisers are global corporations and the global economy influences their advertising expenditures.

Needless to say, when looking at local broadcasters, in the case of Finland and MTV, the global economy and the globalization of the television industry are factors that strongly influence the local market in front of digital transformation period.

2.1.3 Media Policy and Regulation

When looking at media and the broadcasting industry, the regulatory environment needs to be noticed. Although in democratic, liberal countries media often has more latitude due to the concerns of freedom of expression, often governments intervene in communications markets at certain levels, even the most capitalist western nations like United States. (Picard, 2002, 91.)

The reasons for devising policies in media can be either economic, political or socio-cultural (Freedman et. al, 2008, 102). Also, Picard (2002, 91) divides media regulation in a similar manner. Media serves important social, political and economic needs in democratic, capitalist societies. Governments also need to promote and increase communications possibilities. This can result in technical regulations to ensure some ways of communications possible. Regulations also standardize media technology, which is crucial for global media operations.

Governments regulate media markets also to build structure and to ensure stable and profitable operations, as well as control of possible monopolies. Examples of this include restrictions of media ownership. In US foreign owners may own maximum 25 percent of a broadcasting company. A single owner also cannot own more than 35 percent of market with multiple stations. In the United Kingdom only European Union members are allowed to own media. For TV and radio broadcasters most governments require licences (the right to operate) in order to divide the frequencies for broadcast and telecommunications systems. Changes in these, automatically influence the local media market. (Picard, 2002, 92.)

The arrival of digital media technologies has caused many changes to media regulation globally. In this paper we mainly look at Western, democratic societies, mostly concentrating in United States, European Union and later Finland in our case study.

Flexibility and certain deregulation have enabled the global expansion for many media companies. The development of today's media conglomerates is driven mainly by the privatization of the market and deregulation on media ownership, as well as the increasing parallel lifestyles in many metropolises around the globe, saturating demand for media products in the US and the previously mentioned technological development. (Chan-Olmsted, 2006, 189.)

Already on the 1970s UNESCO promoted the free flow of information and it has been a common belief that "more and more media are a good thing". In Europe, European Commission started to take more interest in media in the 1980's. In the US the former vice-presidential candidate Al Gore started

to bring Internet and his plan for a global information infrastructure to the arena of media policy in 1992. He talked about “Information superhighway”, a digital infrastructure that would transform economy, labour, education and health, and of course also the media. The plan needed private investment, promotion of competition and more flexible regulation. As a result, the new era would bring “sustainable economic progress, strong democracies, better solutions for environmental challenges, improved health care and ultimately a greater sense of stewardship of our small planet”. In brief, he called for private sector participation and entry of new private players to the existing market. (Freedman et. al, 2008, 104.)

European policy-makers were influenced by the approach as well and in the next years the media convergence started influencing media policy on both continents. The basic content of these regulations was the notion that it becomes increasingly less significant to differentiate between different technological platforms, for example telecommunications and broadcasting. This led to the concept of technology neutrality, which means in brief, that similar services should be regulated in a similar manner disregarding the infrastructure and industry. (Freedman et. al, 2008, 106.) Laws on media ownership were made more flexible in many territories as well.

In addition to regulation on licences and competition law, typical media policies include regulation on content and copyright, which have also gone under change. In the European Union the key piece of legislation is the “Television without Frontier Directive” (TVF). Originally signed in 1989 it sets many visible boundaries for TV broadcasters. More than half of any European television channel has to be originated from European territory. It also includes statements about unfair commercial practices and inappropriate material for minors. It ensures that the European citizens have an unlimited access to the major events, such as Olympic Games as well. The directive was revised in 2006 in order to respond to the changing digital environment. The representatives of the non-linear, new industries are calling for minimal regulation in order to stimulate growth and diversity, while traditional broadcasters of radio and television are still relatively highly regulated. (Freedman et. al, 2008, 108.) This results in somewhat uneven regulation between different platforms possibly offering similar services (as an example watching TV programmes online and offline) and debates on the topic are constant. When looking at a broadcaster in the middle of a digital transformation, the regulatory aspects carry a significant role when drafting possible changes.

As being part of the European Union, the media regulation has changed also the Finnish media landscape. That will be closer examined when looking at the Case study.

2.2 Changes in Audience Behaviour and Relationship

The media transformation also needs to be viewed from the consumers' point of view. The changing needs and expectations of the consumer are in the core of media organizations pressures to evolve. In the following chapter the author points out three different aspects of the changing audience, based on the previous research and industry literature.

First the classic audience fragmentation concepts will be introduced. Secondly will the consumers' attitudes be analysed in this chapter. When moving from a linear broadcast with a timetable to an on-demand platform, the consumer chooses more actively what he/she wants to watch. This results into more active consumer - broadcaster relationship. The third chapter takes into account the effect of social media in the consumption and attitudes towards traditional media, and how that has pushed the broadcasters to change.

2.2.1 Audience Fragmentation

“Audience fragmentation” in this context is a term that describes the media consumption that spreads to multiple platforms, channels and media outlets compared to the analogue time, when the time spent with media was divided with few media giants. It is a de-massification of the audience and it represents the breakdown of a mass audience into smaller audiences (Picard, 2002, 127).

Fragmentation can be looked at from two sides, either from the media providers or the media users' point of view. The media-centric approach looks at fragmentation through increasing amount of content, and to analyse how the consumption spreads between the media outlets. A typical way of this approach is to represent the research results in a long tail. It is typically used to illustrate long-term trends in fragmentation and is a staple of many industry reports and forecasts. (Webster & Ksiazek. 2012, 42.)

Scholars of media economics have also used this approach when discussing fragmentation:

“Abundance is seen in the dramatic rise in media types and units of media. The growth of media supply is far exceeding the growth of consumption in both temporal and monetary terms. The average

number of the over-the-air television channels has quadrupled since the 1960's... This abundance has caused fragmentation and polarization of the audience (Picard, 2002, 3-5)".

An interesting aspect in fragmentation however is that it produces both extremes of use and non-use among channels and titles. People tend to focus on three to four channels, the increasing number of channels only increased the fragmentation up to a certain point. (Picard, 2002, 4.) People tend to focus mostly to certain channels, even in a multichannel environment.

Also, James K. Webster points out in his study that though we see growth in media outlets, all fighting for public attention, we also see that the consumption remains surprisingly concentrated among all forms of media. The older broadcast networks still have far larger audiences than most newer cable networks. The top websites account an overwhelming majority of user traffic. In fact, he claims, that the more abundant the medium, the more concentrated audiences tend to be. There have been many theoretical models built in order to explain the phenomena, like Pareto distributions, 80/20 rule, power laws etc. Maybe one of the most well-known was developed by Chris Anderson, who predicted that the consumption would move into niches of specialized content that populate "long tail", creating a massively parallel culture. (Webster, 2014, 19.) The long tail model has been widely used in retail, media and most consumer businesses, all based on the logic of excessive amount of choice and the consumers behaviour in that reality.

There is also a lot of critique towards the view on the niches:

"But others view the prospect of niches with more concern. A popular story line in many commentaries on audience behaviour is that users will, for one reason or another, hunker down in enclaves of agreeable, like-minded media.... (Webster, 2014, 19).

The audience fragmentation can also be examined from a more user-centric perspective. This means fragmentation at micro level, just as audiences can be spread across media outlets, each individual's use of media can be widely distributed across providers or highly concentrated on a particular class of products or outlets. (Webster & Ksiazek, 2012, 45.)

Why the fragmentation is such an important factor in also this research phenomena, is that it has changed how the competition among different media happens. It also redefines the relationship with the consumer and the media:

"The audience-use changes mean that competition is no longer institutionally and structurally defined, but is being driven by the time and money audiences/ consumers spend with media, and the

competitive focus is now on the attention economy and the experience economy... The experience economy is based on the idea that the enterprises need to organize satisfying and memorable interactions (that is, experiences) for their customers in order to generate loyalty and repeated engagement” (Picard, 2002, 4.)

The attention of the consumer is more and more hard to win, and “one size fits all” ‘type of content offering will not work anymore. Therefore, it is clear that for a broadcaster who is fine tuning its strategy for the future, the continuing audience fragmentation is an inevitable phenomenon.

To attract different segments, the audience relationship becomes more of a focus and strengthening that relationship becomes a way to improve competitive advantage. It can be seen in efforts to develop content and quality, marketing and branding efforts or it can be audience studies (Picard, 2002, 137.) The audience relationship remains crucial also when moving to review the broadcaster branding.

2.2.2 The Attention Economy

One of the most significant notions of consumers’ change, is the changed role and power balance between the media company and the consumer, which is one of the consequences of fragmentation. The ways it has shaken the established media industries are many, but perhaps the most important change is the notion that the “consumer is king”, as James. G. Webster states in *The Marketplace of Attention* (2014, 4). The media company has very little power to control the consumer.

With this notion arises the classic question about how to get people’s attention in a crowded media environment. It has also created worries of people being overwhelmed by the choice and the poverty of their attention. This situation has resulted in increasing discussion of “the attention economy”, in which the allocation of attention is of central importance. (Webster, 2014, 6.)

Attention and audience studies have been increasing since, both by scholars and the industry research. As Webster points out, the human attention is generally studied in two ways. Some focus on micro-level: how the individuals deal with the stimuli and choice, others focus more on the social and economic implications of widespread public attention (macro-level). (Webster, 2014, 6.)

When looking at the research phenomena and questions in this paper, becomes the micro-level notion important: How does the consumer choose and by which reasons? What are the best ways of getting

the consumers attention and attracting audiences? According to previous studies, many aspects contribute to the consumer's decision making and the analysis is complex:

“Most extensive academic literature deals with psychology of media choice. Many disciplines identify people's predispositions as the principle or sole causes of their actions. Depending on which discipline you evoke, media choices are conceptualized as a function of program type preferences, attitudes and beliefs, moods and hedonistic impulses, needs, or simply tastes. Each person's media choices are further shaped by his or her social networks.” (Webster, 2014, 13.)

How to get the audience's attention? This is a question that the broadcasters puzzle. This has consequences on broadcasters' way of communicating with its audience as well as the brand and the content.

2.2.3 The Social Audience

When looking at the changes in audience behaviour, the arrival of social media and the social behaviour of TV audiences also needs to be taken into account. The social media allows people to discuss and communicate with and about the media they consume. When in the early days the viewers could maybe send feedback to the broadcaster by mail or phone, now every programme is commented on Twitter, Facebook or other social media platforms, and the experiences are all shared publicly. This has forced also the broadcasters to communicate more with their audiences, and to listen their needs and feedback.

The second phenomena regarding social media is the user generated content. Not only is the media content easier accessed than ever before and the amount of content offered exploded, the new social media platforms allow anybody to be a broadcaster or a publisher. Following YouTubers rather than TV channels is a growing trend in all younger demographic audiences. Therefore, when looking at the broadcasting business in transformation, competition is not only among the media outlets, it's a much more complex field of media use. The social audience also demands a completely visible, two-way communication with the media providers. This all becomes very relevant when going into the brand strategies of broadcasters and TV channels.

2.3 The Consequences of Digital Transformation

Considering the change drivers for the transformation in broadcasting business, the effects are endless, depending on business area. With the whole operational environment evolving, the broadcasters have had to open the whole value chain and re-think their strategy. Some have struggled financially; some have been able to adjust their strategy and remain profitable. They've had to invest more in content, technology and marketing. Often revenues have declined from traditional business areas, and the new business areas haven't grown revenues enough to replace the loss in the other end.

Changing the channel strategy from having one channel, into having multiple platforms and channels, moving from ad-funded business model to consumer-pay models, all have kept the strategies under a constant change. A multiplatform strategy requires substantial changes in distribution and the whole tv technology. The needed skillset of the employees has changed as well. These all effect the company's brand setup.

The strategical changes continue to content plans. Content costs have sky rocketed in some markets, but also, many broadcasters have turned to local content. The rise of the vod platforms has caused an increase in drama series all over the world. Game of Thrones and the House of Cards are examples of the "New world superhits". Neither was first broadcasted in traditional linear television.

3 BROADCAST BRAND EVOLUTION IN DIGITAL TRANSFORMATION

When looking at all the changes that the digital transformation has caused to the broadcasting industry, it is clear that it also has effects on brands and branding. In order to examine those changes, will the current literature and previous research on brands and media branding be examined. This builds a base for theoretical framework used in the case study of this paper.

3.1 Brands and Branding in Academic Literature

A Brand is a term, that is used in many ways. The classic definition of the brand, by Tim Calkins (2005) states that a brand is a set of associations linked to a name, mark or a symbol associated with a product or a service. The difference between a product name and a brand is that a name doesn't have associations; it is simply a name. A name becomes a brand when people link it to other things. (Calkins, 2005, 1.)

Branding products well has several, proven benefits. Brands have a remarkable ability to impact the way people view products. The presence of a well-known brand will dramatically affect how people view a product or a service. People will see a product with a premium brand attached, as high quality, exclusive, and expensive. On the contrary, items with a discount brand will cause people to think of the item as cheap, maybe low quality. (Calkins, 2005, 2.)

Having the right kind of brand for the company's products becomes vital, when competition enters the picture. Without competition, plain products without branding would succeed just as well.

3.2 Role of Brands in Media

Brands and branding are a core element in today's business strategies, despite the industry or product. Brands have become an increasingly important topic also in media management due to the increased competition. New technologies have changed the way people consume media, and that has influenced also the way content is produced and distributed. Audiences have fragmented and the number of

media outlets has multiplied. All this has brought also branding practices from consumer good businesses to media organizations. In order to survive, the need to stand out is bigger than ever before. Research on media branding, is however a relatively young field. As several academics have recently noted, there's a strong need for more research on how branding applies to media. (Malmelin, 2014; Chan -Olmsted, 2011; Ots 2008.)

Having strong brands is beneficial to the company in many ways.

“The most essential driver for a branding strategy is the element of competition in a market. When consumers are faced with choices in products, they need a way to identify the one that will best satisfy their needs, so suppliers must create identities for their offerings to avoid confusion and reach the target consumers in marketplace” (Chan-Olmsted, 2006, 57). McDowell (2006) agreed on this view as well:

“Because consumers often lack the motivation, ability, or time to process all product information to which they are exposed, they look for quick solutions stored in their memory. Strong brands assist in this mental process. If consumers recognize a brand and have some knowledge about it, then they do not have to engage in a lot of additional thought or processing of information to make a product decision...” (McDowell, 2006, 17.)

“Strong brands also cultivate habits. Researchers have found that in repetitive decision-making situations, habits save time and reduce the mental effort of decision making” (McDowell, 2006, 18).

The classic branding studies indicate that brands have value for a number of other reasons as well. Brands help with the identification of the source of the product, which helps consumers assign responsibility to a particular distributor or manufacturer. Good brands also reduce search costs, the consumer doesn't need to think and compare or search for a suitable product as much.

More importantly, brand is a promise, there can be a strong bond between the product and the customer. At best, the consumer gives his trust and loyalty with the understanding that the brand will behave in certain ways and offer the utility and performance they need. Brand benefits are also symbolic. Brand serves as a symbol of quality and it also allows the consumers to project their self-image. (Keller, 2008, 9-10.)

Some could claim, that not all the advantages of branding to consumers can be automatically applied in media, since many media organizations are built on advertiser-based business models, and the consumer actually only has to invest time and effort instead of money. Ots (2008) in his analysis concludes that time and attention invested, is however just as valuable, or sometimes even more valuable, than the monetary sacrifice for our entertainment and news. He points out two factors that need to be addressed when looking at media branding compared to other industries: First, media products themselves are often a valuable marketing tool, which helps the media companies build, maintain and launch new brands or extensions. Secondly, media very often operates on dual markets, as their business model is built on both consumers, as well as advertisers. This naturally has an effect also on branding and marketing of media products, when both customer groups need to be taken into account (Ots, 2008, 3.)

Media products also have an intangible, non-preservable nature and group consumption is more than common. Only during a normal evening, one can watch many different types of content by only using a remote control or a keyboard to change the consumed media product. Also, the product selection process can be different for other consumer goods, since with media, a TV channel for instance, the merits of individual units or programs also influence the selection process. However, the media marketplace has changed dramatically, as we will examine more in chapter 3. The current competitive environment requires using all possible means for differentiation. (Chan-Olmsted, 2009, 59.)

The first strong branding in the media industry was seen in magazines, by Reader's Digest (Chan-Olmsted, 2006, 164). Later many others have built globally valuable media brands, such as Disney, Discovery and MTV, all listed in the Top 80 among world's most valuable brands, Disney listed highest at 13 (Interbrand, 2014). These iconic brands have been able to expand and grow their businesses globally despite the growing competition and fragmenting market. Undoubtedly the value of branding has been realized by today, though it might still not be fully exploited by most media organizations.

According to Picard (2011) in media, organizations brands and branding are often used more as an industry buzzword rather than understanding of the competitive advantages of a brand and its further use. Also, Chan-Olsted (2006, 70) writes about brand management in media often staying as a promotional tool rather than a strategic managerial process.

McDowell (2006, 8-10) stresses the fact that brand management has a larger role from just promotion. "Branding deals with a product's reputation and the promotional activities from branding perspective

are intended to distinguish a brand from its competitors by communicating to consumers what the brand stands for”. Another important distinction he points out is between promotion and branding:

“Branding focuses more on the consumer, rather than the product. In the final analysis, successful marketers are not in the business of selling products but in the business of selling solutions to people’s problems. These marketers ask how the customer benefit does from experiencing this product—
“What’s in it for me?”

In this thesis we mainly concentrate in branding and brand building rather than promotional tactics or operations.

3.2.1 History of Branding Television

The big television networks have given unique “brand names” to channels already for decades, but strategic brand management is more than that. The need and motivation for strategic branding ultimately comes from competition, and real competition in television industry didn’t really start until the 1990’s. When looking at the US market, the three major networks dominated the market until the mid-1980s: ABC, CBS and NBC. The business was glooming, and profit margins were up to 50 percent. (McDowell, 2005, 3.)

Same can be said for most European territories. In Finland there was only one national commercial broadcaster, MTV, until 1997 when “Nelonen” was launched. In the UK the history follows a somewhat similar path. The broadcasting television was divided between the public broadcaster BBC and the two partly publicly controlled ITV and Channel 4 until 1990. The Broadcasting Act was published 1990, which resulted in more channels being launched. This can mostly explain the late arrival of branding in field of television.

The arrival of cable television and multi-channel environment started the branding boom in the US. The small cable channels needed to establish an identity to attract audiences and build loyalty to their new, original programming. (Chan-Olmsted, 2010.) MTV Networks is a good example of this strategy, it reached the position as third valuable media brand in the world in 2014 (Interbrand, 2014). Several scholarly studies since have demonstrated the importance of branding, brands help audiences distinguish the brands that suit their needs and they increase loyalty, which is a strong competitive advantage in a cluttered market place.

Going back to basic terminology of branding, a product in television can be either a channel, network, a program or even a specific feature. According to McDowell, this creates a complicated situation, where different brands overlap so that one product is perceived as a distributor or another product. The reputation of a distributor can send a message about one or more of the branded products it makes available to consumers. (McDowell, 2008, 14.)

When talking about branding television, it is not only a matter of channel or network brands, or programmes alone. In this research however, we will mostly concentrate on channel and network brands instead of single programmes or other content brands.

Second important factor about television is its business model, working in a dual market. Commercial broadcasters sell their audiences to advertisers. Since most consumer goods are marketed and targeted to specific consumer segments, media managers need to deliver consistent and profitable audiences, to the right target group. McDowell (2008) claims that with a media environment of today, trying to be all things to all people does no longer work. At least that's a game only for few big players.

The more targeted channels, the bigger the need for branding, one could say. When a network has several channels for different kinds of audiences, there's a strong need to communicate the channels identity to the audience. With branding and marketing activities the broadcasters lure viewers to their own channels.

Positioning is one of the key phases of a branding process. Positioning sets the brand in relation to its competitors in the market (McDowell, 2008, 26). Positioning is built on analysis on the targeted consumers, identified often either demographics, psychographics, or both. A frame of reference tells the targets goal that the product will serve. A brand needs to define its points of difference compared to alternatives. (Tybout et. al, 2005, 12.)

In most cases companies want to position their brands so that it is highly distinctive and differentiated enough from its competitors. In some cases, the strategy can be the opposite, especially when coming to a market as a challenger. A new brand can be positioned very close to its competitor, and then use competitive tactics, like pricing as a tool to convince the customers to change the brand. Both these strategies apply when talking about television. Channels and programs need to be highly distinctive and stand out. However, between television networks, it is very common to launch niche channels to exactly the same audiences and to compete "head-to-head" from the same position in the market. (McDowell, 2008.)

The mechanism how the audience makes their viewing decisions has been broadly studied, from different perspectives. The current competition and market fragmentation have increased the need for this type of insight. So far, the answers are limited, since there are numerous factors involved in people's decision making. As McDowell stated already in 2005, a typical viewer still prefers to deal with only a handful of channel options:

“Several studies indicate that for an average American household, there is a viewing threshold of only a dozen or so channels. For example, Nielsen Media Research conducts an annual national survey of television viewing characteristics, of which “channels received versus channels viewed” is a special section. Year after year the data reveal that, although the number of channels available to the home continues to grow, the number of channels actually viewed has hardly grown at all”. (McDowell, 2005, 6.)

The recent international studies by the industry don't conflict with McDowell's conclusions. The channel brand still has a significant weight in choosing programs to watch. In the UK, Nepa, an international research company, and David Brennan found out by a large qualitative and quantitative analysis that the channel brand itself accounted for a quarter of the influence behind potential viewing decisions. Not only are channel brands familiar, with a clear positioning in many viewers' minds, but they also act as indicators of quality of content; an important part of the decision when you have dozens, if not hundreds of channels from which to choose. (AdWeek, 2014.)

3.2.2 Programme Brands, Channel Brands and Corporate Brands

The significance of branding and the correlation to product success has been widely proven and recognized in field of marketing. The branding boom of the past two decades has resulted in various branding techniques also in television content.

A branded media product can be on several different levels. It can be either a feature, a program, a channel or a whole network. Several scholars have done research on program brands, and their impact on the audience (Siegert et. al, 2011; Chan-Olmsted & Cha, 2007; Drinkwater & Uncles, 2007). Strong program brands have an impact on the whole channel and its image. The corner-stone programming - news and long running series, deserve to be branded and raised above the mass. Strong brands help consumers in the programme selection process, and they bring loyalty to the channel and its viewing. Well recognized programmes are more likely to be successful and they have a longer life

cycle. Strong programme brands are valuable also years later as reruns, as the Simpsons, Sex and the City and classic feature films have shown.

One of the challenges in branding television is the overlapping of brands on different levels. As pointed out, the program and the channel brands have an effect on each other, and many times promotional activities serve both brands. A program brand can also have a negative effect on the channel brand, if the content doesn't match the audience's perception of the channel (Lis & Post, 2013). This dilemma should be balanced regularly when building channels and launching programs. A key question is how to prioritize and keep both levels aligned. A broadcaster that has several channel brands, can have dozens of valuable programme brands that collide with each other.

The same correlation presumably exists also between the channel and the corporate / network brands. Broadcasters today operate several channels, which brings corporate branding to the picture. McDowell (2005) pressures this challenge as well:

“In today's fragmented market, most broadcasters operate on a multichannel strategy. Rather than support an array of individual brands, many companies, including media conglomerates, are shifting toward greater use of corporate branding, attempting to bring all products and services under a unifying mega brand. The challenge is to extend these brand images to the new product without harming the integrity of the originating brand.” (McDowell, 2005, 47.)

When planning marketing and branding actions for TV content, the dilemma between the programme brand and channel brand becomes visible. Who is talking, the channel, the programme or the broadcaster as a company? Which one is more dominant and effects the consumers' opinion the most? We will later discuss this overlap and brand dilemma in our case study of MTV, where all three levels are present.

3.3 Dimensions of Brand Research

In this chapter the author introduces two main concepts and theories of branding in order to build the theoretical framework for the case study.

Tilde Heding and Charlotte F. Knudtzen built seven different approaches to marketing based on the most used marketing theories in the field in “Brand Management: Research, Theory & Practice” (Heding et. al,

2008). The most relevant approach regarding the research topic will be used in the framework. When going into brand portfolios, will a classic concept of Branded house vs. House of brands we introduced and used in the framework (Calkins, 2005).

3.3.1 Brand Portfolio Strategies - Branded House vs. House of Brands

Since most media organizations business strategy today is based on multiple products and outlets, it becomes evident, that the brands need to be evaluated as a portfolio. Building just one successful brand can be a risk in today's competed media environment. The challenge becomes even bigger, when there's the need of a whole collection of brands, that can each have its own limitations and strengths.

When looking at brand portfolios, they are often divided in two groups, which Tim Calkins has described "House of Brands" and "The branded house". Both have its own strengths and weaknesses in terms of execution and strategy. Most brand portfolios don't fall into either one completely but are a combination of the two. Since the battle with these two types of portfolio's can be seen also in the following case study, the author has chosen this approach for studying the case company further in the paper.

3.3.1.1 House of Brands

The classic model of a brand portfolio is the House of brands. In this model a company has multiple brands, that are each named and branded uniquely. Each brand has a distinct positioning and the cannibalization between the company's brands are minimized. Often this type of company uses a distinct corporate name, which doesn't resemble any of the product brand names. Therefore, the consumers are often unaware that the company's brands are owned by the same corporation.

A classic example of a portfolio this kind is Procter & Gamble, a global corporation that owned brands like Pampers (baby diapers), Pringles (potato chips) and Olay (cosmetics). Many companies in the luxury market operate this way as well. LVMH Group is a luxury fashion company, that operates more than 50 luxury brands, that are all separate brands to consumers: Louis Vuitton (fashion), Dom Perignon (champagne), TAG Heuer (watches) and many others. (Calkins, 2005, 111-112.)

There are many advantages to the House of brands structure. Firstly, each brand can be precisely targeted to a consumer group and the positioning can be built without conflicts. The also allows to extend the portfolio when needed, new brands can be launched to either same, or different target group. The house of brands also allows the company to build a strong corporate brand and to develop that. Also operating in different countries is flexible, the company can operate on a set of brands that is appropriate to a specific country, and maybe leave some brands out if necessary. In terms of brand image, the house of brands has also less risks. If one brand is caught in an image scandal, the others won't be harmed. (Calkins, 1005, 112-113.)

There are also downsides to the house of brands portfolio. The portfolio can be inefficient due to its complexity. Each brand needs its own pricing, advertising and strategy. The limited synergy can become a challenge, and if the positioning is not done carefully, the brands can compete with each other, which can become a major problem for the company. (Calkins, 2005, 114.)

3.3.1.2 The Branded House

The branded house model is the second classic approach to brand portfolios. This means a strategy, where a company uses one single brand across all products and categories. Often the company name can be the primary brand. Examples like Dell and Virgin are both based on a classic branded house model. Virgin, originally a record store, first became a record label, and later an airline and a cellular company. Today Virgin is one of the most broadly applied brands, expanding all the way to cars, wines, publishing, bridal wear etc. Still each business operates under the Virgin brand. (Calkins, 2005, 115.)

The branded house model has several advantages, maybe the most importantly it creates focus on the brand. The focus on branding goes all the way to senior management level, which Calkin believes to result in better decisions. Branded house also maximises the scale and all the marketing efforts of all products support the one brand.

The branded house model includes challenges as well, it is not good for many organizations. Firstly, the brand can become unfocused and lose its power to differentiate, if not done well. Secondly, all new brands must fit under the main brand, which narrows possibilities for extensions and new businesses. Therefore, it can restrain innovation and growth. There are also risks, when being

dependent of only one brand. The brand image has a problem; the whole company is in trouble. (Calkins, 2005, 115-116.)

When looking into broadcasting, both models can be seen, as well as combinations of the two. A classic example is the British public broadcaster, BBC. Each channel is named after the BBC brand, whether a TV or a radio station. When looking at commercial sector, can also house of brand model be seen in many territories. Today most broadcasters however have a mix of the two models and the strategy is ever developing. When looking at the biggest commercial broadcaster in Sweden, TV4 has the main brand TV4, secondary brands like Sjuan and TV12. The operate the Pay-Tv business unit under the name CMore with multiple sub brands. The ad-funded streaming service again goes as a secondary brand, TV4 Play. When going into the case study, the combinations between the two classic models can be found many.

3.3.2 Consumer-based Approach to Marketing

During the history of branding, there have been numerous ways of structuring and framing the field and theories. While the consumer businesses have continued to evolve, the theories and practices of branding and marketing have also become more complex. In the textbook, *Brand Management: Research, Theory & Practice*, the different evolutionary phases of branding have been divided in seven different approaches: The economic approach, identity approach, the consumer-based approach, the personality approach, the relational approach, the community approach and the cultural approach.

The approach chosen for this study to reflect on is the consumer-based approach. When previously the focus in brand management was in the “sender end” of communication, the brand was built by the organization and the company strategy, customer-based brand equity is based on the idea that the brand resides in the minds of the consumers as a cognitive construct. Since the launch of the consumer-based approach, it has been widely adopted as the most influential way of thinking about brands and branding. (Heding et. al, 2008, 83-113.)

Since the broadcasting and media business is under a fundamental transition, where consumer change is one of the most significant change drivers, the upcoming case study company and its phases of brand strategy will be analysed through the customer perspective. The consumer is now in charge of the brand value, not the company:

“In the consumer-based approach, brand strength equals strong, unique and favourable associations in the minds of its consumers. The fact that the brand is a cognitive construal in the mind of the consumer makes one jump to the conclusion that the consumer ‘owns’ the brand and thereby controls brand value creation.” (Heding et.al, 2008, 85.)

However, the relationship between the brand and the consumer is not quite that simple. The consumer-based approach still believes that the communicator (the brand) is able to guide the consumers’ actions to a certain point. Only later approaches of marketing theory started to consider the more relational and cultural aspects on the brand relationship.

“At a first glance, the consumer appears to be all-powerful in the brand– consumer exchange in this approach. But the consumer ‘ownership’ of the approach is paradoxical; even though the consumer ‘owns’ the brand, he or she is still treated as a generic entity that the skilled communicator is able to ‘programme’ into intended action”. (Heding et.al, 2008, 86.)

Though the consumer-based approach can’t explain all aspects of consumer relationship with the brand, it gives a good mirror to investigate the upcoming survey and the audiences’ opinions of brands and content. The consumer is an active decision maker in this approach, as today’s media consumer as well.

3.3.3 Customer-based Brand Equity

One supporting theme in the construct of consumer-based brand approach is the customer-based brand equity theory. Keller defines the term as *“the differential effect of brand knowledge on consumer response to the marketing of the brand”* (Keller 1993, p. 2 in Hedin, Tilde et al. 2008, 92).

Brand knowledge is the main cognitive construct in this theory. Before being able to evaluate the brand equity, the consumers must have brand awareness. This means that the brand needs to be recalled and recognized, only after this can brand image be evaluated.

Brand image is constructed from consumers associations of the brand, they can be tangible or intangible aspects of the brand, but also associations depicting attributes, benefits and attitudes:

“Customer-based brand equity is a comparative framework by which the favourability, strength and uniqueness of brand association can be measured against those of competing brands” (Heding et al. 2008, 98).

There are some common ways to test and experiment the consumers choice process:

“In order to map out these processes, two main categories of methods are applied; namely input–output and process-tracing approaches. Input– output methods are experiments where input factors are manipulated and the change in the output of the process is then measured... By testing consumer reactions to different inputs, the best (most predictable) marketing action can be planned.” (Hedin, Tilde et al. 2008, 100.)

The consumers choice process can be also experimenting with other methods, such as following the sequence of information that the consumer acquires and examining the choices that they lead to. Also Chronometric analyses can be made, where the consumers response time is evaluated. (Hedin, Tilde et al. 2008, 100.)

The following Case study uses the input-output - testing as one of key methods in finding answers to the key research questions on consumers content choice and tv brands.

3.3.4 Measuring Customer-based Brand Equity

The literature on Customer-based brand equity recommends both direct and indirect approaches to evaluate the brand equity. The indirect approach means measuring brand knowledge (brand awareness and image) by examining consumers associations on the brand. The direct approach measures consumers’ response to the brand marketing actions (Hedin, et al. 2008, 100.) Both will be taken into account in the case study of this paper.

4 RESEARCH METHODOLOGY

4.1 Case Study as a Research Method

The main research method chosen for this thesis is the case study method. Yin (2009) defines case study as “*an empirical method that investigates a contemporary phenomenon (the case) in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident*” (Yin, 2009, 56). Yin also describes the method by listing that it a) copes with the technically distinctive situation in which there will be many more variables of interest than data points and b) benefits from the prior development of theoretical propositions to guide design, data collection, and c) relies on multiple sources of evidence with data needing to converge in a triangulating fashion. (Yin, 2009, 57.)

The complexity of the research phenomenon of this thesis supports the case study method, due to multiple sources of data and using descriptive analysing tools. Also, the nature of the research phenomenon, describing a structural shift in an industry, benefits an industry example to compare the concepts and theories on in practice.

There are multiple ways of doing a case study research, but five components of research design are especially important: the study questions, it’s propositions (if any), its case, the logic linking the data to the propositions and the criteria for interpreting the findings. (Yin, 2009, 73). All these five components have been addressed when designing the case study of this thesis.

4.2 Case Study at MTV

The research in this paper is conducted by examining a case company - MTV in Finland. The first phase was a set of interviews about the transformation in media, conducted to some of the key managers at MTV.

The key element for answering the research questions was an online survey. It was planned and designed by the author in acceptance with MTV, technical execution done by MTV’s research partner Nepa. The survey took place in November 2018 and it has been answered by 1076 Finns.

The purpose of the survey was to analyse the impact of the channel brand by showing programme promos to six different reference groups. All groups saw the same content, but each had a different channel brand attached to the same video clip. The aim was to see whether the channel brand influenced consumers' opinion of the programme. One reference group saw the material without any logos.

The survey was built according to an input-output method, which is one of the key methods in mapping out consumers choice process and evaluating the customer-based brand equity. In the input-output method, different input factors are manipulated (the representing channel brand in the programme promo) and the change in the output of the process is then measured (the consumers perception of the programme). In research tradition by testing consumer reactions to different inputs, the best (most predictable) marketing action can be planned (Heding et. al, 2008, 100.) In this case study the marketing actions were not in the core of the study, but the survey was done in order to see the channel brand influence and the brand equity of MTV's channel brands.

To avoid previous associations of the programmes, the programmes selected in the survey were all programmes that hadn't been aired in the Finnish television before. They were chosen from different genres and origins in order to see different aspects of the content affect the perceptions.

In addition to questions on the programme itself, the respondents were given questions of their perceptions on tv brands. In order to get a deeper understanding on the mechanisms how the channel brand effects the respondents' opinion on the programme, some multichoice questions were built with different brand attributes and adjectives.

In the last phase of analysis, the results from MTV were analysed against the previously done synthesis on tv brands facing digital transformation and the two branding theories chosen for the framework.

4.2.1 Company History and Phases of Transformation

MTV is the first and largest commercial broadcaster in Finland. Founded in 1957 it is also one of the oldest commercial broadcasters in Europe. Therefore, it offers a great platform for the next presented case study, most consumers have lived with the existence of the brand all their life and the brand resonate with people of all ages.

MTV first was launched as a single channel. Sub, the second channel for the younger audience was launched in 1999 in the cable network, first carrying the brand name TVTV. The channel expanded to a nationally distributed channel in 2001 and has carried the name Sub (or SubTV) since. Today Sub is the third biggest commercial channel in the country.

The Finnish TV networks went through a digitalization process in 2006. It enabled the broadcasters to have multiple channels with a relatively low cost. During this period, MTV decided to expand its business to consumer pay business. The first pay-tv package, built together with the Swedish TV4, consisted first of four channels, MTV3 MAX, Sub Junior, MTV3 Fakta and MTV3 Leffa. The biggest driver for the launch was the decision to move the Formula 1 programming behind the paywall. The Finns, known for its passion for motorsports were pleased with an extensive F1 programming, children's channel and secondary channels for documentaries and films. The subscription base became the biggest in the Finnish market and the pay-tv penetration in Finland started to develop faster. Over the years more channels were added, at highest the number of channels were seven.

During 2008 MTV moved one of its pay-tv channels, AVA to a free-to-air business model. AVA, targeted mainly to female audiences has stabled its position today among the top 10 channels in Finland. The commercial free-to-air (later FTA) portfolio remains the same today with the combination of MTV3, Sub and AVA, all with a unique branding. Together these channels gather apx. 23% of all TV viewing in Finland (Finnpanel, 2018).

MTV launched its avod (ad-funded video) service MTV Katsomo in 2009. Recently, the service was re-branded to mtv, know the platform carries the corporation brand just with a different brand visual. The strength of the main brand has been realized, but the rest of the company's ad-funded brands don't yet follow a branded house logic.

MTV's pay business has gone through several changes in terms of branding and product portfolio along the years. First branded under MTV3, then MTV, later under the CMore brand. Today the CMore portfolio consist of linear pay-tv channels and a premium SVOD (subscription vod) service.

The company is set to serve the Finnish customers regardless of distribution or platform, which a broad variety of content and business models both on ad-funded business linear pay-tv business with Teleoperators, as well as direct to consumer- business models.

4.2.2 Competition in the Finnish Media Market

The competition in the Finnish commercial television business is fierce. The market has been nearly flat since the 2008 financial crisis, but the number of channels has almost tripled during this time. Today the Finns have a list of 32 free-to-air tv channels to choose from and hundreds of pay-tv options. On top of this are the many on demand platforms and services.

The main competitor for MTV is the Sanoma corporation, which also runs four FTA channels and different on demand services. The FTA channel portfolio is built of channel Nelonen and its sister channels Liv, Jim and Hero (House of brands -portfolio). The public broadcaster YLE doesn't compete with MTV on advertising budgets, but it is the most watched channel portfolio, so MTV needs to attract audiences from both sides in order to succeed. YLE as the national broadcaster has a branded house portfolio, by having three linear channels, a vod service and several radio channels, all carrying the main YLE brand in its name.

As part of the digitalization and globalization the Finnish market has also had several international entries. Though they are smaller in viewing than the local broadcasters, together they take a good share of the market. It is divided between Discovery International Networks (TV5, TV6, Frii) and Fox International Television Networks (Fox, National Geographic).

Today's competition is not only against other linear channels. The global media giants operating on digital platforms have had a massive effect also in Finland. According to MTV's Director of research and audience insight Taina Mecklin, this has changed the competition setup:

“Yes, the international broadcasters have been able to produce an extensive offering to the Finnish market (Netflix, HBO, YouTube). With enormous content budgets they are able to produce high quality, “traditional” Hollywood-content, as well as acquire local series and films from different territories to support diversity. It is a challenge to respond to this kind of offering, and some generations value more the American content than the Finnish.”

4.2.3 MTV's Brand Strategy and Portfolio

The multichannel and multiplatform environment has radically changed MTV's mind set on brands and the brand portfolio and it has had several different strategies on how to use the company name.

MTV's visual identity has evolved during its history.



Figure 2. Examples of MTV's logo's 1957-2019 (Logopedia, 2019).

The company started growing from a single channel, the second channel Sub was launched with a unique brand identity. AVA has had a stand-alone brand as well, after it was launched to the free-to-air market.



Figure 3. SUB and AVA channel's evolution in visual identity (Logopedia, 2019).

Only later on, during the launch of the first pay-tv package, a portfolio approach was taken into use. At that time, it used the MTV3 channel brand as the main brand, pay-tv channels were built as sub-brands.



Figure 4. MTV Kanavapaketti 2008

When looking at online streaming services, they have been under a continuous change as the transformation has exceeded. The avod brand, first branded Nettitv, then MTV3 Anytime, Then MTV3 Katsomo and MTV Katsomo, currently carries the company brand MTV.



Figure 5. MTV Service previous logo's

In 2008 MTV had a bigger re-branding and it took the company name MTV as the leading brand, to be able to build a more balanced portfolio. It started using MTV brand attached with genre brands, like MTV News, MTV Sport, MTV Lifestyle and also MTV brand for Pay-tv channels. Even at this point, the FTA-channels remained as unique brands.

The addition of the CMore brand to the consumer pay division again changed MTV's take on branding. Today all Pay-tv channels are named after the CMore brand. The FTA- brands remain as stand-alone brands, genre brands have the company brand attached. Avod service carries the company brand.



Figure 6. Examples of CMore channel logos.

At the time of the research MTV's brand portfolio was a mix of branding styles. When looking at the branded house vs House of brands theory – MTV was never either one entirely. It still has aspects of both models.

MTV is currently operating on a two-brand strategy, MTV and CMore. MTV represents all the advertiser funded businesses like the FTA channels, AVOD platform and the website with news service. The consumer pay-business is operated under CMore, both on linear Pay and digital platforms. However not all single brands are named after the main brands. FTA channels AVA and Sub are still named uniquely, without a connection to the main brand.

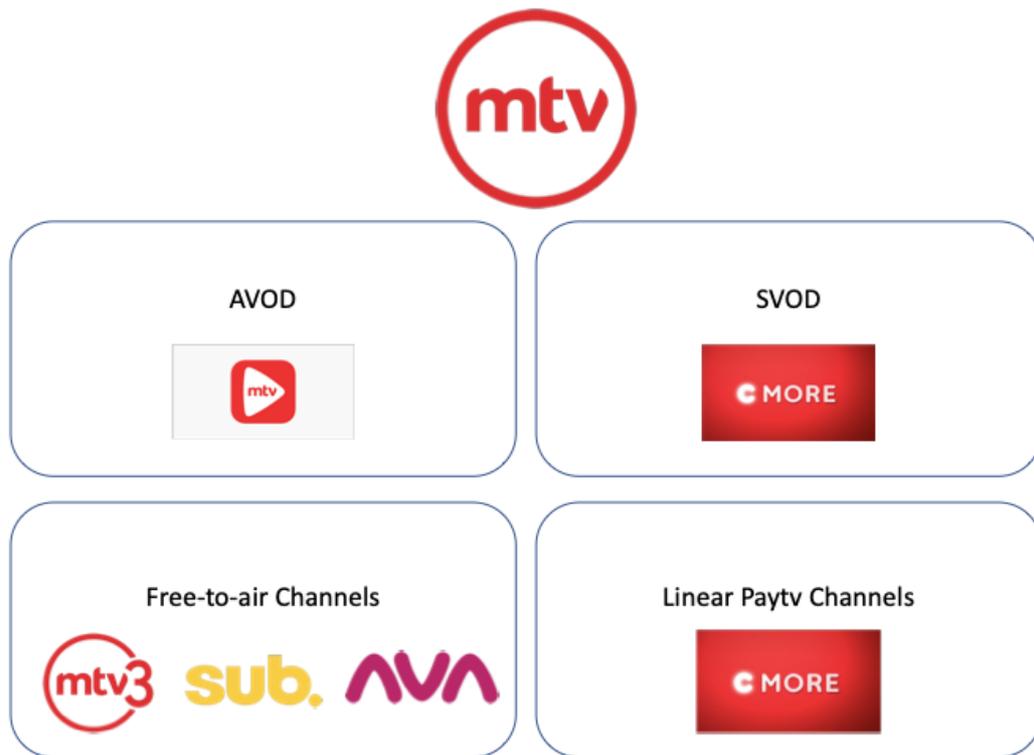


Figure 7. MTV's Brand Portfolio, 2019.

When looking at the consumer-based approach to brands and the customer-based brand equity MTV's portfolio is complex. There are two main brands for the two business areas, MTV for ad-funded, CMore for consumer pay business, but there are also single brands, like Sub or AVA. The risks with a broad portfolio are that the brand awareness, image and associations might not be all clear to consumers.

4.2.4 Data Generation

The data gathered for the research was gathered using two different methods. The main data source was a consumer survey, that took place in November 2018. The survey was done online and sent to members of MTV's research panel, balanced by age, sex and region. The research design was conducted by the author and the technical survey delivery was operated by MTV's research partner organization Nepa. In a survey period of two weeks, a number of 1076 respondents took part in the survey. Nepa delivered the raw data to the author, which the author analysed. The research director of MTV, Taina Mecklin, monitored the process and the accuracy of the data.

Secondary method of data collection was a set of interviews. In order to draw a complete picture on the case study company's current operational environment, a selection of MTV's directors was sent questions by email in April 2019.

4.2.5 Data Analysis

Various analysis methods were used in the case study analysis. The email interviews were analysed by using content analysis method. The number of respondents was very limited, and the questions asked predefined.

A descriptive statistic was used to interpret the survey results. Statistical tables were built to find the main differences and similarities between the respondents' answers. A deeper inferential statistic was not done, due to the complexity and limited generalizability of the data (only MTV's content tested in the survey).

5 FINDINGS

5.1 Media Transformation Effects on MTV

When looking at the model of transformation, all suggested change drivers in the authors synthesis have modified also MTV's business model and practices. Some of the key managers at MTV were interviewed about the drivers and consequences of media transformation. The topic was present in all key departments, and it affected multiple operational processes. The need to re-evaluate the brand strategy was recognized just as in the synthesis of this thesis.

5.1.1 Technological Development in Finland

When looking at drivers of change, the arrival of digital television was revolutionary for MTV. It enabled expansion to linear Pay-tv business. This was the first big move to have a direct customer relationship to consumers. The advertising revenue was no longer the only income source and it changed the whole value chain.

The second wave of transformation was the launch of vod -platforms, first with Katsomo, as ad-funded video platform and the beginning of catch-up tv. The audience could now recap on a programme they missed from television. Together with the increasing number of reruns and time shifted viewing, the linear tv schedule started to fragment. If you were not home for your favourite show, you could always catch up in a secondary channel later, record the programme on a Digi box or stream it online. This has given the audience lots of freedom compared to the past.

Today MTV operates also on svod market, where one can stream exclusive content in advance, or see exclusive sports broadcasts for a monthly fee. The audience is no longer dependent of linear transmissions and scheduled, the content can be watched later on any portable device.

Susa Valvio, Director of Marketing and communications at MTV, brings up technological development as one of the change drivers in an interview:

“...The TV viewers have become content consumers. Digitalisation and the technological development enable content consumption from an increasing number of platforms and services, equipped with better and better connections and technology. This results in higher content

consumption. However, while the consumers service level increases, the consumers have become more and more demanding, because they recognize today's capabilities in different services”.

Technology has also enabled various developments in tv content:

“Technology has enabled interaction between the audience and the broadcaster. Today the viewers can vote people out, comment, or play along while watching their favourite show. This has enriched the viewing and engages the audience to participate. The audience is no longer a passive follower”, states MTV’s SVP of content, Marko Karvo.

Based on the interviewed managers, the technological development and its effect in consumer- brand relationships can be seen also at MTV. The findings support Chan-Olmsted’s previous study on the subject and the topic defends its positions as one of the key drivers of transformation: “...Technology enables the shifting of the balance of power between different types of media organizations and between media and their consumers” (Chan-Olmsted, 2006, 9).

5.1.2 Globalisation from MTV’s Perspective

Globalization has influenced MTV’s business capabilities in multiple ways. The international competition in the advertiser -funded business is significant. The arrival of FOX and Discovery have partially influenced in the creation of a non-profitable market for broadcasters in the Finnish FTA ecosystem. The international players were able to enter the market with relatively low cost (global content from the mother company), as where MTV, YLE and Sanoma carry all costs of local content production and organization.

The Revenue management Director, Pauli Jäämies from MTV sees, that the global entrées had an effect on MTV’s business potential and profitability:

“The newcomers could benchmark ad pricing from the smaller channels, which caused pressure also to the advertising prices of the main channels, MTV3 and Nelonen. However, the biggest effect of global newcomers was the increase of advertising capacity in the market (more channels, more total break viewing). The supply exceeded the demand significantly. Since the advertiser today has more choice in channels and broadcasters, the pricing power has shifted from the broadcaster to the advertiser. This has forced the big broadcasters also to decrease their pricing.”

Partly as results of globalisation of the tv market, the consumer today has an unlimited choice on content, whether it is linear broadcast or a streaming service. This has continuous effects on broadcasters' content strategy. The broadcasters are investing in local content and adding content investments across the markets.

“Globalisation has had enormous effect on content business. The global players have entered the market and an SVOD market has been born in Finland, when Netflix was launched here. On linear side as well, the global channels have changed our market, when Fox and Discovery were launched here. The significance of international content has grown, but its consumption has transferred mostly to digital platforms.

Drama investments are growing more and more, since the Finns enjoy local content, and having exclusive local content is a good competitive advantage. First this was a choice we made in our strategy, but it can also be partly forced in the future. The Hollywood studios are launching their own streaming services and will most likely to keep their content IP in their own platforms. The access to certain American content can become much more difficult. I'm sure we'll also be seeing various forms of collaborations, joint ventures etc. in the upcoming years. (Marko Karvo, 26.4.2019.)

Karvo confirms the predictions in previous literature, where company mergers and acquisitions, collaborations and joint ventures have been forecasted (Chan -Olmsted, 2006, 87 & McDowell, 2005, 6).

“Exclusivity will become even more important and valuable. This has already been seen in sports rights business, where the prices have rocketed, because it's one of the key driver genres in the whole pay-tv business. Also, the prices of other genres are going up globally... Also, the significance of news is increasing in the ever-changing and unpredictable world we live in”.

When forecasting future developments of broadcasting business, Karvo states the value of owning the IP:

“We will see broadcasters and other content providers going back in time and starting to produce their own content instead of licencing, which is more common today. This way they own the valuable rights to content and have a direct connection to managing quality.”

As well as with technology, also the driving force of globalization can be well recognized in the Finnish case study and industry evaluations, as in previous academic literature. Chan-Olmsted points out in her future predictions, that the trend toward global conglomeration will continue because global media conglomerates are in a more competitive position compared to non-diversified media firms (Chan-Olmsted, 2006, 199). Therefore, the global development of the industry should be well taken into account when drafting future strategy on local level as well.

5.1.3 Media Policy & Regulation Regarding the Finnish Market

As being part of the European Union, the changes in media policy and regulation have also affected the case study company. The content and the amount of advertising is controlled and regulated. Marko Karvo (SVP content at MTV) evaluates, that media regulation will play a substantial part also in the future:

“It affects us also in the future. At least 30 percent of the content offering in vod platforms need to be produced in Europe. This has already been the case in linear channels, now also digital platforms are part of the regulation. “

Regulation and media policies have a direct effect in broadcasters business case, in terms of content selection and costs:

“The significance of local and European content will increase, but this also means that the international players will enter more and more into the local broadcasters’ playground. What comes to distribution side, the non-exclusive content rights will increase in value, because there will be more need for European content and non-exclusive rights is a cost-effective way to handle this.”

In terms of business-to-business environment, the influence of regulation is smaller, the revenue management director Pauli Jäämies states in an interview:

“The changing legislation and regulation have not had such a big impact. The interpretation of the Finnish authorities has been mostly been stricter than the European Union’s. The biggest impact actually is the due to the fact that the legislation has challenges in keeping up with the changes of the digitalization, putting the traditional media platforms in an unequal position compared to the digital ones.”

5.1.4 The Finnish Audience

The dramatic changes in consumer needs and audience behaviour are among the most significant drivers for the business change, also in Finland. The consumption of linear television is decreasing on a growing pace, especially in younger demographics. The consumer has the control today about what to watch and when. The broadcaster needs to respond the consumers' needs and be able to offer the content in multiple ways. The research director of MTV, Taina Mecklin also confirms the story:

“Consumers behaviour has changed a lot in recent years, when the svod-players and YouTube consumption have grown. The so called “non -recognisable” viewing from the big screen has grown rapidly among young demographics, and this has decreased the traditional viewing. This has taught the consumer a new type of rhythm to watch programmes when it suits them best. Today it is hard to convince the consumers to “once a week at eight o'clock” -kind of viewing, which was still ok in the early 2000's. This was the time when American crime series were still major hits like ER, House, CSI etc.”

Mecklin also notes an important change in the consumers attitudes and lifestyles:

“...Also, the demand for individuality, the need for self-expression and using tv's content choices to express it, has accelerated the development, where big audiences are achieved only by the major live events.”

MTV's SVP of content, Marko Karvo agrees on fragmentation effects, and points out how it affects content:

Getting big audiences is important, and its significance is even growing, but unfortunately it is more and more difficult. The investments in big family entertainment have grown in the recent years, but also the more individual content consumption is growing. More of Finns are looking for the right content for their personal needs from vod services. This grows also different sub-genres and niches. This trend is a strength for the global players, since reaching small niches with expensive local content is not very cost efficient. For us it increases the pressure to build local content phenomenon's that bring the whole country together”.

As Karvo mentions, the growing of the niches might be a financial challenge to small territories, like Finland, where the audiences are smaller and costs high. The notion fits with the Long Tail theory,

and Webster's' analysis on fragmentation. Some see the polarization a positive possibility, where specialized content consumption would create a "massively parallel culture" and new possibilities. For others it was more of a worry, that the niches would turn people only towards like-minded content, and the common public sphere would be devoid. However, Webster concludes, that for the most part people show very few signs of settling down into niches only. In this light Karvo's notion on MTV's strategy to concentrate on phenomena's that bring masses together, makes good sense. (Webster, 2014, 19.)

The changing operational environment has been recognized also by the brand and marketing leaders in media. Susa Valvio, director of marketing and communication at MTV, confirmed Mecklin's notion of fragmentation:

"The fragmentation can be seen in consumers media use; they need to make more choices which media to choose and why. The well-known and reliable brands do well in this kind of market, because they're trusted in this world of fake news and propaganda".

This leads into changes in marketing plans and strategies as well:

"The advertising on digital platforms need to be targeted to the right person and the interface needs to be personalized. This is both a challenge, but also an opportunity. We are able to make more personalized and individualized marketing and communication, which reaches and effects the consumer more and more effectively...".

"...However, narrow and strict targeting holds a risk when looking at brand building. Brands need big masses to grow consciousness. The bigger the brand, the bigger the audience's interest and willingness to consume". To this, tv as an advertising tool is still the number one - it reaches big masses fast.

Not only the broadcasters, but also the advertisers have changed the marketing mix due to the audience fragmentation:

"The marketing executives have more choice than ever. The marketing budgets take a similar share in companies' budgets than before, but the marketing budgets split between more channels, owned media, as well as investments in marketing technology. This influences the demand for TV advertising in a negative manner" (Pauli Jäämies, Revenue Management Director at MTV, 5.5.2019).

The notion of Jäämies agrees with the industry estimates, which have forecasted that at the current rate, it is expected that TV advertisements will make up less than a third of all advertising budgets by the end of 2021 whereas online advertising will account for about half of the advertising budgets (Async Labs, 2019).

Looking at the literature, industry trends, and listening to business leaders in broadcasting, it is obvious that the future of tv is in digital. When going back to the original research questions, becomes evident, that the brands will be in the intersection of the old and the new way of broadcasting, and the role of those brands needs to be evaluated between both platforms.

When discussing media transformation and developing strategy, based on data, also the director of research and insight has a clear vision,

“...The transformation should lead to developing vod-services”.

5.1.5 MTV’s Brand Portfolio Under Construction

Before analysing the consumer survey, MTV’s current brand strategy and portfolio was discussed with Susa Valvio, the Director of Marketing and Communications at MTV.

When discussing the strengths and challenges of the current brand portfolio, Valvio points out the strong brand that MTV has:

“The MTV brand is strong; its roots go far in history and it has a good reputation. Also, the MTV3 brand is strong and it has a good brand image. In the Finnish market YLE and MTV are the one’s having the image of the “big two”.

Valvio lists also other strengths in the current brand setup. The News give the MTV brand credibility, which is a clear competitive advantage comparing to other commercial broadcasters. The CMore brand has built a solid local foothold among the streaming services. Overall, Valvio evaluates all MTV’s brands as well-known, strong brands, which help MTV to market the upcoming content.

There are also challenges, however:

“It is definitely a challenge, that there are so many brands. This does not support the fragmenting media landscape. People start to cut down mediums to follow, because there is so much

offering. Good content is followed, but does a single, separate channel brand add value to that anymore? We have now already aligned the avod service under the MTV brand Umbrella.”

Valvio raises an important note on people cutting mediums to follow. The stable number of consumed mediums despite the growing amount of offering is supported also by academics. Picard stresses the notion as well, that individuals tend to focus most viewing on a relatively small numbers of channels, even in multichannel environment (Picard, 2002, 128). This supports the need for strong brands.

When discussing possible future developments in MTV’s brand strategy, she again points out the role of single, linear free-to-air channel brands:

“In the future we will look into our strategy on the unique linear channels. Our digital platforms now have bright and clear brands, the services are of course developed continuously.”

McDowell’s recommendations for TV Brand building might be worth considering, when analysing the smaller, single brand’s future, since the environment fits with Valvio’s analysis:

“...This strategy proclaims that if you can’t be first, then borrow the equity from a brand that already has a positive reputation. It is no secret that well-known and well-regarded brands can extend their equity into new products... Rather than support an array of individual brands, many companies, including media conglomerates, are shifting toward greater use of corporate branding, attempting to bring all products and services under a unifying mega brand.” (Mc Dowell, 2005, 47.)

When discussing the consumer relationship and MTV brands, Valvio agrees on the notion that the changing relationship between the brand and the consumer adds pressure to re-examine the tv brands:

“For sure it does. It creates a need to look into how our brands are represented to the consumers; what kind of reactions do our brands receive and what are peoples’ opinions on them. How much brands are necessary and how large of a brand portfolio are we able to build, in a way that serves the Finnish customers well enough”.

As described in the consumer-based approach to marketing, though the consumers have more power on the brand than before, the brand communication influences the consumers as well. Valvio points this out in the interview as well:

“I still believe that we can contribute to our brand image by doing excellent work in how we operate with the brand among the consumers. Our content modifies the image as well. Since we build

phenomenon's, we want more and more of communicating with our audiences, because brands live from these programmes and content phenomenon's. We are able to guide and anticipate a lot, but it is true that much is in the hands of the consumer. A poorly managed brand does not interest the public. The consumers will vote with their feet and crush the brand. There is always the brand reputation in danger.”

Valvio's take on audience relationship is supported also by the academics. The value of strengthening and stabilizing audience and consumer relationships is well recognized. As Picard points out, it can be marketing and branding efforts, but it can just as well mean efforts to improve content and its relevance to the audience and efforts to improve quality. Continuous audience studies can be valuable when developing the relationship. (Picard, 2002, 137.) Valvio's view on contributing to the brand-audience communication gets support also from the consumer-based approach to marketing, where the basic assumption is that the brand resides in the mind of the consumer, but the marketer is still able to control brand value creation (Heding et al. 2008, 86).

What comes to the future steps, Valvio sees opportunities both in the content and the brands around tv:

“In marketing I would concentrate in marketing good content also in the future. People will follow good content and they want to be entertained. A well-curated brand is definitely a plus, where the content is consumed. Same applies to personal branding - people follow people, not companies”.

Valvio's view on the changing marketing environment fits with Chan-Olmsted's previous analysis. The increase in exhibition outlets magnifies the importance of the efforts to build a relationship with the smaller group of audience and to be responsive to what the audience demands (Chan-Olmsted, 2006, 5).

5.2 Consumer Survey Highlights Differences Between MTV Brands

The key focus of the survey was to understand how the channel brand influences the consumers opinion of a programme. Additional data was gathered, in order to understand the consumer -brand relationship more in depth.

5.3 The Channel Brand Influences Consumers Interest in Content

The first point of analysis in the survey was the overall interest towards a specific programme. The findings indicated in the chart A show that the brand did have a modest effect on the consumer. It can be seen from various perspectives. When looking at the linear channel brands that were tested, a correlation between the size and preference of the channel can be found in the results of this survey. (Table 1.) The finding applies to all age groups analysed.

	All programmes (avg)						
	MTV3	Sub	AVA	Katsomo	C More	No Channel	Avg
How interesting did you find the programme?	Linear Channel brands			Digital brands			
Very interesting, I'm planning to watch this when on air	16,38 %	15,00 %	11,03 %	14,98 %	14,95 %	14,45 %	14,46 %
Somewhat interesting, I might watch, might not	38,10 %	37,58 %	39,05 %	40,43 %	36,03 %	39,10 %	38,38 %
Not interested, I'm not going to watch when on air	45,55 %	47,43 %	49,93 %	44,60 %	49,03 %	46,48 %	47,17 %

Table 1. Interest towards programmes

MTV3, the biggest and most preferred channel of MTV portfolio (Table B), had the highest score in all results, while AVA, the smallest linear channel, had the weakest score. Not only it matches the viewing data, MTV3 is the most watched channel, but it indicates also strength in brand awareness and brand equity, whereas the brand awareness of MTV’s digital brands holds a risk according to the table B results (low usage percental among the respondents).

When looking at the digital platform brands (CMore, MTV Katsomo), the brand did not correlate to the interest for the programme as much. The results were within just one percent from the average, as well as similar to the sample group that did not have a brand connected to the programme at all. When comparing the two digital brands, Katsomo and CMore, the effect follows the same logic as in

linear brands, the better known and bigger service gets a slightly better result for programmes (Katsomo).

How interesting did you find the programme?	
AVA	10 %
Liv	6 %
MTV3	45 %
Nelonen	35 %
Sub	19 %
TV1 / TV2	43 %
TV5	10 %
FOX	14 %
Netflix	26 %
HBO Nordic	7 %
C More	7 %
Ruutu	10 %
MTV Katsomo	9 %
Yle Areena	29 %
Base	1079

Table 2. Average interest towards a programme on a specified channel

The results are not identical when divided into smaller target groups.

Table 3 reveals results by channel brand more in detail. All investigated programmes and channels were considered more interesting by the audience of under 45 -years olds' than older audience. When looking at sex, MTV3 and Sub didn't differ dramatically, which matches also the channel profile. AVA's results were not very strong among any demographic, but men found the investigated programmes least interesting, when shown with an AVA logo. This is logic, since the channel is targeted to women. The result might also indicate that AVA's brand awareness is at least on a level, where most consumers know the channels target demographic profile.

An interesting note is that families with children gave higher results to programmes with a digital brand attached or no brand at all, than to programmes with a linear brand attached. According to MTV's Research Director Taina Mecklin, this is also logical. Families with kids are among the early

adaptors of non-linear viewing and the broadcaster's digital services. Children and teenagers are used to watching content on demand from their iPads or other devices.

MTV3	Under					
	All	45y	45y +	Women	Men	Families
Very interesting	16,38 %	19,95 %	13,18 %	15,38 %	17,70 %	14,28 %
Somewhat interesting	38,10 %	42,05 %	33,88 %	39,40 %	37,00 %	43,93 %
Not interested	45,55 %	38,05 %	52,93 %	45,25 %	45,30 %	41,80 %
Sub	Under					
	All	45y	45y +	Women	Men	Families
Very interesting	15,00 %	16,93 %	12,90 %	17,18 %	13,30 %	16,75 %
Somewhat interesting	37,58 %	43,78 %	31,70 %	38,28 %	37,15 %	36,95 %
Not interested	47,43 %	39,33 %	55,40 %	44,55 %	49,58 %	46,33 %
AVA	Under					
	All	45y	45y +	Women	Men	Families
Very interesting	11,03 %	12,45 %	9,83 %	11,95 %	10,18 %	14,88 %
Somewhat interesting	39,05 %	41,53 %	36,80 %	44,13 %	34,25 %	41,18 %
Not interested	49,93 %	46,00 %	53,38 %	43,93 %	55,60 %	43,90 %
Katsomo	Under					
	All	45y	45y +	Women	Men	Families
Very interesting	14,98 %	16,60 %	13,53 %	15,20 %	15,03 %	18,38 %
Somewhat interesting	40,43 %	40,03 %	40,68 %	42,90 %	37,83 %	41,85 %
Not interested	44,60 %	43,35 %	45,80 %	41,90 %	47,15 %	39,75 %
Cmore	Under					
	All	45y	45y +	Women	Men	Families
Very interesting	14,95 %	17,50 %	12,73 %	15,48 %	14,58 %	18,58 %
Somewhat interesting	36,03 %	41,33 %	31,20 %	39,05 %	33,05 %	42,13 %
Not interested	49,03 %	41,18 %	56,08 %	45,50 %	52,40 %	39,28 %
No brand	Under					
	All	45y	45y +	Women	Men	Families
Very interesting	14,5 %	19,0 %	10,4 %	13,1 %	16,0 %	19,5 %
Somewhat interesting	39,1 %	40,0 %	38,2 %	43,3 %	34,9 %	41,5 %
Not interested	46,5 %	41,0 %	51,4 %	43,8 %	49,2 %	39,0 %

Table 3. Interest towards programmes in target groups

Due to a narrow amount of channels tested, the results should not be interpreted without further and broader analysis, but the consistency of the results in a mass of over 1000 replicants indicates strongly, that the brand that offers content to the consumer does influence the consumers first opinion of the programme as well. A programme, marketed by a strong brand, seems more interesting than if it was marketed by a smaller brand. The survey results also show differences in terms of brand equity between the MTV brands. As McDowell previously discussed the trend of building around the corporation brand instead of managing multiple single brands (McDowell, 2005, 47), MTV3 might

hold a similar position according to the survey. This might also indicate, that a branded house - brand strategy could possibly work well, since the MTV brand portfolio has such a strong brand in the portfolio to build on as MTV3.

Positioning is one of the key phases of a branding process, since positioning sets the brand in relation to its competitors in the market (McDowell, 2008, 26). When analysing the positioning of the MTV brands, at least Sub and AVA seem to have brand positions, which the audience knows and agrees on. Looking at table C, Sub is preferred more by the younger audiences, just as its target group is according to MTV's strategy. AVA is preferred more by women, just as it is targeted to. In terms of position and points of difference compared to alternatives, these linear brands seem to work as planned. (Tybout & Sternthal, 2005, 12.)

5.4 Habits and Channel Favourites as Part of Consumers' Choice Process

The channel preference was one of the tested aspects in the survey, in order to see if it changes the audience's perception to content (Table 5). Here can differences be pointed out as well.

When looking at MTV3's results, there's a clear difference between the MTV3 fan's and the YLE fans. The consumers that prefer YLE channels on a daily basis, and the consumers who didn't list MTV3 as their preferred channel, ranked the programmes with an MTV3 logo lower than others.

MTV3 fans gave better results than others to all MTV owned channel brands on the survey, but also the no logo version. This might indicate that the investigated programmes all appealed to MTV3 fans better than other target groups. This is logic, since the investigated programmes were all future MTV corporation programming and they're targeted to a specific audience.

The Netflix fans also differed from others. They seemed open minded and didn't show big differences among any channels, but they ranked programmes without any logo highest.

The weakest and smallest linear brand AVA got the weakest results. Sub gained quite good results among the Netflix fans, which makes sense considering the channels target group. Both are most consumed among under 45-year-olds. Also, the group that did not list Netflix as a preferred channel preferred more the kind of content that had MTV3 and Katsomo brands attached.

The differences in results are not dramatic, but they follow the same pattern as the overall results. The consumers associations to content varies if it has a brand attached to the promo.

MTV3	MTV3 preference	No MTV 3 pref.	TV1/TV2 preference	No TV1/TV2 pref.	Netflix/HBO	No Netflix/HBO pref.
Very interesting	21,30 %	12,55 %	11,68 %	20,08 %	17,05 %	16,00 %
Somewhat interesting	43,60 %	33,13 %	34,23 %	41,05 %	39,23 %	37,50 %
Not interested	35,10 %	54,35 %	54,13 %	38,85 %	43,73 %	46,50 %
Sub	MTV3 preference	No MTV 3 pref.	TV1/TV2 preference	No TV1/TV2 pref.	Netflix/HBO	No Netflix/HBO pref.
Very interesting	20,93 %	10,73 %	10,78 %	18,45 %	19,03 %	13,93 %
Somewhat interesting	40,00 %	36,33 %	36,00 %	38,98 %	36,60 %	37,98 %
Not interested	39,05 %	52,98 %	53,28 %	42,58 %	44,38 %	48,10 %
AVA	MTV3 preference	No MTV 3 pref.	TV1/TV2 preference	No TV1/TV2 pref.	Netflix/HBO	No Netflix/HBO pref.
Very interesting	14,33 %	7,88 %	10,10 %	11,58 %	11,70 %	10,70 %
Somewhat interesting	43,45 %	35,55 %	37,90 %	40,30 %	34,05 %	41,05 %
Not interested	42,18 %	56,58 %	51,95 %	48,15 %	54,25 %	48,25 %
Katsomo	MTV3 preference	No MTV 3 pref.	TV1/TV2 preference	No TV1/TV2 pref.	Netflix/HBO	No Netflix/HBO pref.
Very interesting	17,98 %	12,78 %	12,75 %	16,60 %	18,18 %	14,03 %
Somewhat interesting	44,43 %	37,25 %	41,50 %	39,88 %	38,38 %	41,18 %
Not interested	37,63 %	50,03 %	45,80 %	43,50 %	43,40 %	44,80 %
Cmore	MTV3 preference	No MTV 3 pref.	TV1/TV2 preference	No TV1/TV2 pref.	Netflix/HBO	No Netflix/HBO pref.
Very interesting	18,90 %	11,48 %	13,05 %	16,38 %	16,48 %	14,43 %
Somewhat interesting	38,88 %	34,20 %	34,25 %	38,20 %	40,38 %	34,90 %
Not interested	42,23 %	54,28 %	52,65 %	45,40 %	43,15 %	50,63 %
No brand	MTV3 preference	No MTV 3 pref.	TV1/TV2 preference	No TV1/TV2 pref.	Netflix/HBO	No Netflix/HBO pref.
Very interesting	15,7 %	13,8 %	10,8 %	17,5 %	18,6 %	13,0 %
Somewhat interesting	44,4 %	35,4 %	35,7 %	42,2 %	40,3 %	39,0 %
Not interested	39,9 %	50,8 %	53,5 %	40,4 %	41,1 %	48,0 %

Table 5. Preferred channels and consumption habits influence interest towards programmes on specific channels

5.5 Channel Brand Image Influences Consumers' Content Associations

After investigating the overall interest to specific content, the survey investigated more in detail, what kind of associations the consumers had regarding the channels and the programmes. The audience had to choose words to describe the programme from a list of adjectives/ brand attributes. The results show less variance than on the overall interest (Table 6). Therefore, a broader research would be necessary, if brand specific implications were needed. The results alone cannot build a full picture on the brand images of the brands, but some indication can be found of the differences between the MTV brands and their value in terms of brand equity.

The differences are smaller than in overall interest, but still in line with the previous findings. When the content was attached with a traditional, linear channel, the frequency of associations in the survey was different depending on the channel brand. Also in this part, the linear brands had a higher variance

than the digital ones, which might indicate that the linear channel brand have more influencing power on content than the digital ones.

From a long list, there were a few describing adjectives that had the highest variance. These were cheap, brave and old fashioned. The results on how the brand influences the brand image is in line with previous brand research. Keller lists in his definition of brands, that it works as a symbol of quality (Keller, 2008, 9-10). Adweek notes on brands reports also how the brand influences as an indicator of quality (Adweek, 2014.)

When looking at how “cheap” the audience considered the programmes on average, again MTV3 had the best results from the linear brands (lowest number with associations “cheap”, most preferred channel). The programmes with the channel Sub logo, were considered the cheapest compared to other linear brands. The attribute “cheap” appeared most often among the recipients who saw the content with the brand Sub attached. However, an interesting notion on cheapness was that the programmes without any logos, had absolutely the highest number of mentions “cheap”. When there were no logos present, the consumer rated the programmes of less prestigious.

The third adjective where the consumers had different opinions depending on brand, was “old fashioned”. In this attribute Sub got the best results (least old fashioned). This again matches the portfolio strategy of MTV. Sub is the channel for the younger audience. Also in case of his attribute, the smallest linear channel got most mentions of the attribute “old fashioned”. Programmes with an AVA logo was considered the most old-fashioned.

When looking at digital brands, again the results are consistent with the previous findings of the survey. The results were very similar to the average results and also the results of the “no logo” group. Only in terms of cheapness, the no logo programmes clearly suffered from lack of supporting brand. As in previous question, also when looking at quality attributes in content, the offering digital platforms brand didn’t create significant variance in results.

Choose the attributes, that you think describe the programme best?									
Current	15,9%	13,0%	15,1%	14,5%	13,6%	14,8%	14,5%		
Warm, relatable	7,6%	7,7%	7,7%	8,9%	8,8%	8,0%	8,1%		
Cheap	14,4%	19,3%	18,3%	16,3%	15,6%	20,8%	17,4%		
Funny	14,7%	15,8%	13,9%	16,0%	13,5%	15,2%	14,8%		
Inspiring	5,0%	5,8%	4,0%	4,3%	6,4%	5,4%	5,1%		
Interesting	24,1%	24,8%	21,7%	24,1%	25,2%	24,5%	24,1%		
Good quality	11,7%	12,4%	10,4%	12,1%	12,8%	11,8%	11,9%		
Superficial	22,3%	23,1%	22,4%	23,8%	22,6%	24,7%	23,1%		
Brave	20,4%	19,1%	15,3%	16,9%	18,8%	20,4%	18,5%		
Boring	20,9%	23,3%	25,0%	21,1%	22,5%	21,1%	22,3%		
Old fashioned	9,8%	7,6%	12,5%	11,0%	10,6%	10,7%	10,4%		
Entertaining	28,4%	25,6%	25,0%	27,4%	29,0%	28,9%	27,4%		
Indifferent	32,0%	32,6%	32,4%	30,8%	32,1%	34,3%	32,3%		
Other	4,5%	6,4%	4,3%	4,9%	6,5%	4,3%	5,1%		

Table 6. Variance in attributes regarding content

The respondents were also asked to freely list of associations related with the channel brands. MTV3 was the most well known and most watched. Common comments from the channel were “*the channel that most people watch, the oldest channel in Finland, many kinds of programming, channel that everybody knows*”. When asked about Sub, typical comments were “*young, MTV3’s little brother, funny, light, lower quality, entertainment*”. Even without asking, the respondents attached the channel brand to young audience and light entertainment. When asked about AVA, the respondents mostly commented on the target audience: “*For women, women’s channel, feminine programming, romantic movies*”. Unlike with MTV3 and Sub, many commented also on the awareness: “*Don’t watch, unknown, not for me*”. This is a good note, might explain AVA’s weaker results compared to other linear channels. It is possible, that the brand awareness is still too low to build strong brand image.’

6 CONCLUSIONS

The research phenomenon for the thesis was the changing broadcast television industry and its need to update its channel brand strategies as part of the digital transformation process. The purpose of the research was to investigate, what kind of influence do the channel brands today have to consumers associations of content. The objective was also to understand if the role of the brand was different between the traditional linear tv channel brands and a digital platform brand.

The thesis builds a synthesis on the elements of the transformation process, using previous literature on media transformation as well as the consumer-based brand equity model (Heding et.al, 2008, 83) and the house of brands vs. branded house – model for brand portfolio analysis (Calkins, 2005, 111-112).

In order to find answers to the research question, the thesis was conducted as a case study to MTV in Finland. The main methods of research included interviews and a consumer survey. The survey was conducted in order to find answers to the two main research questions.

1. How does the channel brand influence the consumers conception of content?
2. How does the role of the brand differ between linear tv channels and digital online services?

The results of the conducted survey indicate, that the channel brand has influence on the consumer, when learning about a piece of content. There are indications of influence in various different ways:

1.
 - a) Overall interest towards a programme: A programme with a stronger channel brand might interest the consumer more. Linear channel brand results had higher influence, and in correlation to the size of the channel.
 - b) Quality associations of a programme: The channel brand influenced the consumers image of a content in terms of quality (“cheapness”) and relevance mirroring the personal taste and interest of the consumer (“old fashioned vs. bold”). Stronger channel brands had more positive associations also regarding content.

- c) Consumers personal habits and their thoughts on channel images influenced the associations of the programmes. Younger audience preferred content when it was attached to a digital brand or the channel Sub which is targeted to that audience, MTV3 fans preferred programmes when attached to MTV3 logo.
2. The results showed indications of some differences between the role of a linear tv brand and digital platforms:
- a. Overall interest towards a programme: Digital channel brands and content without any brand attached had similar results. This might indicate that **the role of the brand is not as big as in linear television.**
 - b. The quality associations didn't vary much when looking at different sample groups, but also in case on digital platform brands, the more well known, and bigger brand influenced the consumers content associations more.
 - c. Personal habits influenced also when looking at the digital platforms. The respondent groups, who preferred using digital platforms and watched mostly online, reacted more positively to content promos with a digital brand attached than a linear one. MTV Katsomo, which is the platforms where the audience is turning to, when they want to see tv content regardless of schedules, had a very positive influence on content.

When looking at the case study of MTV, and its transformation story, all phases are in line with the global findings on transformation. From the drivers to consequences, the company has gone through a complete transformation from a one channel terrestrial broadcaster to a multidivisional media corporation with business in both ad-funded television and digital platforms, linear pay-tv- packages and svod service. They've suffered the challenge of profitability in the stagnated Finnish media market, and they've renewed their brand strategy along the way.

When the built synthesis on media transformation was tested on MTV through manager interviews, the results are in line with the synthesis. All drivers and consequences that were built on global media environment during transformation, were found also on local level in Finland. The interviews also confirmed the relevance of these factors also in the future. While planning the evolving business, the same factors should be monitored also in the future.

When going to evaluation on brands, the findings are clear in the case study. Brands matter. They add the flavour to a product, create associations about the quality, and they add desirability to products, just as Tim Calkins and his colleagues have previously written (Calkins, 2005). When looking at the fundamental transformation of broadcast television, and also the investigated case company MTV, the exploded amount of content and competition for the consumers time, having a strong brand gives an advantage.

The research questions about the channel brands influence on consumers content choices in this paper, were built to find answers to a broader topic. What should a broadcaster think about branding at this volatile phase of transformation? Do channels still matter, or are consumers choosing base on the content information itself? And finally, how should the broadcasters develop their brand strategy to reach maximum results?

The survey gave consistent results about the brands influence. The brands with the highest brand equity (good brand awareness, good image), influenced the consumers perception of content in a positive way. Just like the branding theories indicate. The brand helps the consumer to choose.

The complexity of the topic becomes visible, when asking the audience if the channels matter to them. Most consumers respond no, they select programmes, not channels. Nevertheless, when they took a test about content with brands attached, there were clear indications of brand influence.

When going back to the topic of transformation, becomes relevant to compare results between linear and digital channels. Based on the case study, traditional linear channels influenced the consumer more than the new digital platform brands. This might indicate that the role of the channel brand is in fact evolving. However, since the survey tested only MTV content, the topic would need further research to be completely viable. The results also show that the brand awareness probably effects the results. It is possible that some of the digital platforms don't have enough brand equity yet, to be strong brands. If this is true, it is too early to make conclusions about the changing role of the channel brand.

How about brand portfolios then? As Chan-Olmsted already wrote, the transformation has pushed some of the broadcasters to build on the corporate brand and build a steady brand hierarchy around it. The strong megabrands succeed well in today's cluttered media space. When giving up smaller brands, and building a consistent main brand, the benefits are clear. However, the risks of a branded house are still there. Just as the critics' claim, the risk of a completely branded house includes risking the mother brand for new launches.

The findings of the survey might support going more towards a Branded house model. The small linear brands benefit from MTV's support, and the digital platforms are not harmed either. MTV3 and the corporation brand are very strong in terms of brand equity. Maintaining multiple different brands can hold a risk in the future, if they're not strong enough. The consumption of linear channels is moving to digital platforms, that hold a different brand. That questions the role of single channels.

The mtv service (MTV Katsomo during the survey) got very promising and positive results. Due to the fact that it is a fast-growing business area in viewing, it probably was a very good move to re-brand the service after the corporation name.

For MTV, continuing on a house of brands -strategy would probably mean bigger risks. Directing resources into maintaining multiple brands, that are different in strength and influence, would be both expensive and probably would not create much more value.

When thinking of implications for managers, some of the key findings is the strength of the old brands, like MTV3. They have high value in a competed market and should not be risked. The second finding is related with the consumer-based approach to marketing. The consumer today has the power over the broadcaster. When building tv brands, the consumers associations, opinions and behaviour should be the first thing to analyse. Building only on the company strategy, content, on creative marketing, might end up in a situation where the consumer doesn't recognize what the brand has to offer.

6.1 Limitations

As the authors history with the case company gives an advantage when analysing different aspects of the case company, the personal connection to the investigated company can also be a limitation to the study, in terms of objectivity.

Also, media organizations operate very differently depending on the market and their content offering. Media products as creative products cannot also be directly compared in terms of expected success or profitability. Therefore, the study is not generalizable as such.

Due to the rapid changes in the industry there has been a limited amount of research on broadcasters' digital strategies, as well as branding in the digital age. Further research would be needed to analyse

the current changes more thoroughly. The consumer habits on online viewing of television program needs a deeper analysis to be better forecasted as well.

6.2 Possible Future Research

The author wishes that, the findings of this paper will be useful for media managers operating different platforms and media products. It can help prioritize and structure a complex combination of media content in multiple distribution channels, by giving recommendations on branding principles in a new multi-platform media environment. It also takes into account the big cultural change in building consumer relationships in the age of social media.

Further research of the topic could include further examining of the brands in the market, also programmes from other broadcasters and broadening the scope to other media's, like the Netflix. The influence of digital platforms would still require further research in order to fully understand the logic and process of how the brand influences.

REFERENCES

- Adgate, Brad. (2018). The Sports Bubble is not Bursting. <https://www.forbes.com/sites/bradadgate/2018/01/16/the-sports-bubble-is-not-bursting/#625dc303bba3> (Retrieved 21.4.2019).
- Albarran, Alan B. (2007). Handbook of Media Management and Economics. Routledge.
- Arghillander, Timo & Martikainen, Virpi (2014) in Televisioala Suomessa (p. 4-7). Toimintaedellytykset internetin aikakaudella. Liikenne- ja Viestintäministeriö. https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/77890/1314_Televisioala_Suomessa.pdf (Retrieved 21.4.2019)
- Async Labs (2019). TV advertising vs. online advertising - advantages and disadvantages. <https://www.asynclabs.co/blog/tv-advertising-vs-online-advertising-advantages-and-disadvantages/> (Retrieved 21.04.2019)
- Calkins, T. (2005). Brand Portfolio Strategy In Tybout, A.M., & Calkins, T. (eds.), Kellogg on Branding (pp. 104-128), Hoboken NJ: Wiley
- Chan-Olmsted, S.M. & Cha, Jiyoung. (2007). Branding Television in a Multichannel Environment: An Exploratory Study of Network News Brand Personality. *International Journal on Media Management*, 9 (4), 135-150
- Chan-Olmsted, S.M. (2006). Competitive Strategy for Media Firms: Strategic and Brand Management in Changing Media Markets. Mahwah, NJ: Taylor & Francis E-Library
- Chan-Olmsted, S.M. (2011) Media Branding in a Changing World: Challenges and Opportunities 2.0. *International Journal of Media Management*, 13(1), 3-19
- Chan-Olmsted, S.M. & Kim, Yungwook. (2010). Perceptions of Branding among Television Station Managers: An Exploratory Analysis. *Journal of Broadcasting & Electronic Media*, 45 (1), 75-91
- Chan-Olmsted, S.M. & Jaemin Jung (200). Strategizing the net business: How the US television networks diversify, brand and compete in the age of internet? *International Journal of Media Management*, 3 (4), 213-225

Day, Steve (2018) 4 Reasons Why Digital Media is Causing the Death of Television, in Mediapost. <https://www.mediapost.com/publications/article/318637/4-reasons-why-digital-media-is-causing-the-death-o.html> (Retrieved 13.09.2018)

Discovery Networks (2015). Businesses and Brands. <http://corporate.discovery.com/businesses-and-brands/> (Retrieved 22.07.2015)

Drinkwater, P., & Uncles, M. (2007). The Impact of Consumer Evaluations of Television and Radio Broadcaster Brands. *Journal of Product & Brand Management*, 16(3), pp.178-187.

Dreier, Troy (2017). Forecast: Strong Growth in Online Video Advertising 2020 in Onlinevideo.net. <http://www.onlinevideo.net/2017/12/forecast-growth-online-video-advertising/> (Retrieved 13.09.2018)

Finnpanel (2019). Share and Reach 2018. <https://www.finnpanel.fi/en/tulokset/tv/vuosi/sharev/viimeisin/> (Retrieved 10.05.2019)

Finnpanel (2019). TV Year. https://www.finnpanel.fi/lataukset/tv_year_2019.pdf (Retrieved in 21.5.2019)

Freedman, Des, Henten, Anders, Towse, Ruth & Wallis Roger. (2008). The Impact of the Internet on Media Policy, Regulation and Copyright Law, in *The Internet and The Mass Media*. Sage, London.

Frick, Hanna (2018). Så Blir TV4's Nya Visuella Identitet. <https://www.dagensmedia.se/medier/rorligt/sa-blir-tv4-s-nya-visuella-identitet-6909297> (Retrieved in 21.4.2019)

Föster, Kati. (2011). Key Success Factors in TV Brand Management: An International Case Study Analysis. *Journal of Media Business Studies*, 8(4), 1-22

Ganos, Todd, (2011) The Death of Television. in Forbes. <https://www.forbes.com/sites/toddganos/2011/07/13/the-death-of-television/#56bcbf2919f2>

Grego, M & Atkinson, C. (2010). How to Rebuild a Cable Network. *Broadcasting & Cable*, March 29, 2010.

Heyman, Stephen, 2015. Netflix Taps Into a Growing International Market. In *New York Times* 12 May, 2015. Retrieved August 10, 2015 from

http://www.nytimes.com/2015/02/12/arts/international/netflix-taps-into-a-growing-international-market.html?_r=1

Heding, Tilde, et al., 2008. Brand Management : Research, Theory and Practice, Taylor & Francis Group, ProQuest Ebook Central, <http://ebookcentral.proquest.com/lib/tampere/detail.action?docID=401822>.

Henten, A. and Tadayoni, R. (2008) The impact of Internet on media technology, platforms and innovation, in Küng, L., Picard, R. G. and Towse, R. The Internet and the Mass Media. London: Sage. pp. 45–64

IPG Media Lab (2014). OTT: What the Living Room Revolution Means to Brands. http://ipglab.com/wp-content/uploads/2014/09/OTT_WhatTheLivingRoomRevolutionMeansToBrands.pdf (Retrieved 19.6.2015.)

Kantar (2019). Media Expenditures in Finland 2018. https://www.kantar.fi/sites/default/files/media_ad_expenditure_2018.pdf (Retrieved 21.03.2019)

Keller, Kevin (2008). Strategic Brand Management. Building, measuring and managing Brand Equity. Prentice Hall, New Jersey.

Küng, L, Picard, Robert G. & Towse, Ruth. (2008). The Internet and the Mass Media. London, UK. Sage.

Lewis, Robin, 2016. The Long Tail Theory Can Be Reality for Traditional Megabrands.in Forbes 31.5.2016. <https://www.forbes.com/sites/robinlewis/2016/05/31/the-long-tail-theory-can-be-reality-for-traditional-megabrands/#6d1ab6ab6372> (Retrieved 04.05.2019)

Lis, B & Post, M. (2013). What's on TV? The Impact of Brand Image and Celebrity Credibility on Television Consumption From an Ingredient Branding Perspective. *International Journal on Media Management*, 15(4), 229-244

Logopedia. MTV3 logos. <https://logos.fandom.com/wiki/MTV3#2013-2017> (Retrieved 04.05.2019)

- Lowry, Brian (2019). Disney closes \$71 billion deal with Fox. <https://edition.cnn.com/2019/03/19/media/disney-fox-merger/index.html> (Retrieved 15.05.2019)
- Malmelin, Nando & Moisander, Johanna. (2014). Brands and Branding in Media Management - Toward a Research Agenda. *International Journal on Media Management*, 16 (1), 9-25
- McDowell, W. & Batte, A. (2005). *Branding TV: Principles and Practices*. Burlington, MA: Focal Press
- McDowell, W. & Sutherland, S. (2009). Choice versus Chance: Using Brand Equity Theory to Explore TV Audience Lead-In Effects, A Case Study. *Journal of Media Economics*, 13 (4), 233-247
- MTV (2019). MTV Continued its growth in 2018 - The commercial viewing share superior to competitors. <https://www.mtvuutiset.fi/spotti/en/general/artikkeli/mtv-continued-its-growth-in-2018-the-commercial-viewing-share-superior-compared-to-competitors/7294706> (Retrieved in 21.04.2019)
- Oba, Goro. (2011). The Brand Building of Foreign-Owned Television Channels in the Japanese Market. *Keio Communication Review*, 33, 133-154
- Ots, M. (2008) Media and Brands: New Ground to Explore. In Ots M. (ed.). Jönköping, Sweden: JIBS Research Reports
- Pappalardo, Dan. (2015). Branding in the Age of Choice. C21 Media website, June 8, 2015. <http://www.c21media.net/perspective/branding-in-the-age-of-choice> (Retrieved 19.6.2015)
- Picard, R.G. (2002). *Economics and Financing of Media Companies*. New York, NY: Fordham University Press.
- Picard, R.G. (2005). The Nature of Media Product Portfolios. In Picard R.G. (ed.), *Media Portfolios: Issues in Management of Multiple Products and Services* (p. 1-23). Mahwah, NJ. Lawrence Erlbaum Associates.
- Sealy, Shelley (2018). Mobile Video Consumption. <https://www.stateofdigitalpublishing.com/insights/mobile-video-consumption/> (Retrieved 21.04.2019).

Siegert, et.al (2011). Brand Identity-Driven Decision Making by Journalists and Media Managers - The MBAC Model as a Theoretical Framework. *International Journal on Media Management*, 13 (1), 53-70

Sun, Yongjun & Park, Namkee. (2011). The Dimensions of Cable Television Network Personality: Implications for Media Brand Management. *International Journal on Media Management*, 13 (1), 87-105

Tybout, Alice M. & Sternthal, Brian. (2005). Brand Positioning. In Kellogg on Branding. Wiley & Sons, Inc. New Jersey.

Tweedie, Steven. (2014). "Netflix CEO: Broadcast TV Dead in 16 Years" in The Business Insider, 28.11.2014.

<https://www.businessinsider.com/netflix-ceo-broadcast-tv-dead-in-16-years-2014-11?r=US&IR=T&IR=T> (Retrieved 13.9.2018)

Webster, James G. (2014). Marketplace of Attention. How Audiences Take Shape in a Digital Age. The MIT Press. Cambridge, Massachusetts.

Webster J.G., Ksiazek T.B. (2012). The Dynamics of Audience Fragmentation: Public Attention in an Age of Digital Media. *Journal of Communication*, 62 (1), pp. 39-56.

Whitten, Sarah (2019). <https://www.cnbc.com/2019/02/21/hurdles-netflix-faces-as-disney-warner-bros-enter-the-streaming-space.html> (Retrieved 21.04.2019)

Yin, Robert K. (2009) Case Study Research, Design and Methods. SAGE Publications. United States of America.